

THE AWARD-WINNING INDEPENDENT: EDITOR OF THE YEAR, CORRESPONDENT OF THE YEAR

THE INDEPENDENT

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YOUR THREE SECTION PAPER: 26-PAGE NEWS SECTION PLUS 12-PAGE BUSINESS SUPPLEMENT PLUS 18-PAGE BROADSHEET REVIEW

'Je ne regrette rien... perhaps I have been a little careless'

— Edith Cresson, French Commissioner

'I note with considerable satisfaction that I am whiter than white'

— Jacques Santer, EC President

'It's a disaster... and it requires ruthless determination to deal with'

— Sir Leon Brittan, EC vice-president

'The President of the Commission should leave as soon as possible'

— Tony Blair, British Prime Minister

Santer must go now — Blair

TONY BLAIR called last night for Jacques Santer to pay the price for the fraud and mismanagement exposed by the official inquiry into the European Commission by standing down immediately as President.

After an unrepentant Mr Santer told a Brussels press conference he was "whiter than white", Mr Blair told the Commons that the Commission's response to Monday's highly critical report had been "wholly inadequate".

In an emergency statement on the biggest crisis in the EU's history, the Prime Minister said: "The President of the Commission should leave as soon as reasonably and practically possible."

During two hours of talks in Downing Street last night, Mr Blair urged Gerhard Schröder, the German Chancellor and holder of the European Union's rotating presidency, to seek fast-track agreement on a successor to Mr Santer at a summit.

but he has publicly endorsed Romano Prodi, a former prime minister of Italy.

Privately, pro-EU British ministers fear the Brussels fiasco will harden British public opinion against the EU and joining the single currency.

But Mr Blair went on the offensive yesterday presenting a paper to Mr Schröder proposing "root and branch reform" to the way the Commission operates, including a crackdown on fraud, financial mismanagement and what Downing Street called the "jobs-for-the-boys culture" in Brussels.

One minister said: "The door is now open to radical reform in Europe. It is an argument we can win if we are bold enough. Reform is the only way the EU can recover its credibility."

Earlier, in Brussels, Mr Schröder said he wanted "to take a decision rapidly", and hinted that Mr Santer's role as caretaker president will be short-lived.



Jacques Santer, who rejected the highly critical report into the European Commission as 'wholly inadequate' and declared himself 'whiter than white'

The last stand of the Burgermeister

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mit of EU leaders in Berlin next week. But Mr Schröder warned that it could take longer to find an acceptable candidate.

The summit, which is due to agree a new EU funding system and reform the common agricultural policy, will now be overshadowed by the fiasco in Brussels.

Mr Blair believes the priority is to remove Mr Santer and install a successor who can drive through reforms to the EU. He opposes the idea of a caretaker president — such as Sir Leon Brittan, the Commission Vice-President — running the Commission until January, when Mr Santer's five-year term comes to an end.

Mr Blair said: "The new president must be a political heavyweight, capable of providing leadership and authority to the Commission." Downing Street refused to say whom Mr Blair was backing for the post.

That followed an angry press conference at which Mr Santer declared himself to be "whiter than white", and attacked the conclusions of the report as "unbalanced". Mr Santer and several fellow commissioners were furious about the final chapter to the 144-page document which accused them of failing to accept political responsibility for the culture of corruption. He said the conclusions were "totally unjustified" and "shameful".

"I cannot accept this affirmation that the Commission has been responsible for fraud, irregularities and mismanagement," he said.

Edith Cresson, the commissioner most seriously criticised, volunteered: "Perhaps I have been a little careless."

Colleagues and adversaries moved quickly to slap down Mr Santer. The President of the European Parliament, Jose Maria Gil-Robles, backed the inquiry findings and demanded a quick solution to the crisis. He said: "No one in our countries could imagine that a government which stands down because it doesn't have parliamentary confidence could stay in place for another nine months until another government is elected."

Even Sir Leon said: "I don't think this is the time to carp at the content or caviar at the wording of the report. It stands on its own merits."

IT WAS the Burgermeister's last stand, a final puffing of the petty functionary's chest, a valedictory outpouring of righteous indignation that anyone should have the impertinence to suggest that he might have failed in his job. It was also an unmitigated disaster.

When Jacques Santer took the rostrum in Brussels yesterday, on the morning after the report of the night before, a touch of contrition from the Commission's President might

yet have earned forgiveness. Not, however, after a performance that gave the word "impertinence" new meaning.

"I reject the conclusions of the report," he declared for openers. "The picture is distorted... wholly unjustified." It was "a slur" on the reputation of 19,000 toiling and honest Eurocrats. And then the most breathtaking assertion of all, that the independent ex-

perts had found his own performance to be "whiter than white".

A curious proposition, to put it mildly, given how the report singled out Mr Santer in person for failing to take a "meaningful interest" in the Commission's Security Office, which had been permitted to turn into "a state within state".

It was the spluttering outrage of a mayor of a middle-sized city caught napping after one decent lunch too many —

which in a sense exactly describes the previous job experience of Jacques Santer, the one-time Prime Minister of the little state of Luxembourg.

That Mr Santer was promoted so greatly beyond his station is to the credit of our own former prime minister John Major, who out of pique in 1994 vetoed the widely favoured candidacy of the Belgian Prime Minister, Jean-Luc Dehaene.

The current Prime Minister yesterday was not so supportive. "I will be blunt," said Mr Blair.

"We cannot have the next president decided in the same way as the last, debating the narrow interests of one country or another."

"The top jobs, not just in the Commission, but throughout the European institutions, should go to the top people. Merit and merit alone should decide," he said.



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Australia	6.00 AM	Israel	12.00 PM
Canada	5.00 AM	Italy	1.00 PM
France	1.00 PM	Japan	5.00 PM
Germany	5.00 PM	Spain	1.00 PM
Greece	1.00 PM	Switzerland	5.00 PM
Ireland	1.00 PM	Turkey	1.00 PM
Netherlands	1.00 PM	USA	1.00 PM
Portugal	1.00 PM		
Sweden	1.00 PM		
Switzerland	1.00 PM		
Turkey	1.00 PM		
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Sleep your way to the top.

Dine before you fly at US Club World Lounges. Sleep non-stop and arrive in better shape for business.

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BRITISH AIRWAYS
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Europe is beheaded after

Prodi is the front-runner for presidency

ROMANO PRODI, the former Italian prime minister, and Javier Solana, Nato's secretary-general, emerged as early favourites to succeed Jacques Santer as European Commission president.

As European leaders came under pressure to choose his successor next week, he issued a strong defence of his tenure of office, and one which united MEPs in disbelief.

As jockeying for key posts began, it emerged that Mr Solana's prospects depend on winning the support of the Spanish Prime Minister, Jose Maria Aznar. The two men come from rival parties and personal relations between them are not close.

Mr Prodi has the backing of Massimo D'Alema, his successor as Prime Minister.

The field of candidates to take over from Mr Santer also includes Rudolf Scharping, Germany's Defence Minister, while outside possibilities include Wim Kok and Antonio Guterres, the Dutch and Portuguese Prime Ministers. Both are still in office and might find it difficult to extract themselves from their present posts.

Despite pressure from several countries, including Britain, for a quick resolution of the crisis, the timetable for the replacement of the Santer Commission remains unclear. There is speculation that a temporary candidate may take over from Mr Santer and would then see the Commission through to the end of the year.

By STEPHEN CASTLE
in Brussels

That might leave the way open for senior figures such as Hans van den Broek, foreign affairs commissioner, or Sir Leon Brittan, Commission vice-president, although his prospects may suffer from the fact Britain is not a member of the single currency.

It is more likely a new president will be selected after an agreement by all 15 EU leaders, and that he or she will get a six-month mandate at first, with the expectation of a five-year term starting in 2000.

That could leave the way open for at least some of the current commissioners to stay on until the end of the year. Germany indicated yesterday that it wishes to see the present regime staying in place as caretakers until the June European elections. But that was opposed by the European Parliament, as MEPs are convinced the administration must be removed before they have to face the voters.

Whatever happens, the shape of the new Commission will be very different, and only a minority of those now in office are likely to return to Brussels. Neil Kinnock, the British transport commissioner, received the Government's backing for a second term of office. Sir Leon is due to step down at the end of December.

The list of those who face the axe includes Edith Cresson, former French prime minister



Germany's Chancellor Gerhard Schröder (right), current EU president, and Tony Blair at Downing Street yesterday. Mr Schröder appealed for calm on the EU

and commissioner for research and education, who was at the centre of the crisis; the Commission vice-president Manuel Marín, who was planning to step down; Anita Gradin, commissioner for financial control; Padraig Flynn, commissioner for employment and social affairs; and Martin Bangemann, the commissioner for industrial

affairs. Mr van den Broek and Christos Papoutis, the energy commissioner, are expected to bow out at the end of the year. If no substantial figure is chosen, either Sir Leon or Mr van den Broek could be appointed as a stop-gap.

Mr Santer may have sealed his fate and ensured his early

departure with a dramatic reaction to the conclusions of the report of a committee of independent experts.

The President of the Commission described himself as "whiter than white". His team of 20 commissioners could not accept the conclusion that it "has to bear responsibility for fraud, irregularities and mis-

management". Ms Cresson poured petrol on the flames by telling reporters she had been "careless", which produced an outcry among MEPs. Alan Donnelly, leader of Labour's 60 MEPs, said Mr Santer was "in denial". The President of the European Parliament, Jose Maria Gil-Robles, also backed the report unambiguously.

Its conclusions argued that political responsibility "cannot be a vague idea, a concept which in practice proves unrealistic". It added: "The studies carried out by the committee have too often revealed a growing reluctance among the members of the hierarchy to acknowledge their responsibility. It is becoming difficult to find anyone who has

even the slightest sense of responsibility". Although there was no evidence of a case "where a commissioner was directly and personally involved in fraudulent activities", there were instances where "commissioners or the Commission as a whole bears responsibility for instances of fraud, irregularities or mismanagement".

Euro-sceptics ready to capitalise on the confusion

BRITISH MINISTERS fear that the crisis in Brussels will play into the hands of the Euro-sceptics and make it harder for Tony Blair to win public support for joining the single currency.

Yesterday Mr Blair sought to turn the débâcle to his advantage by unveiling plans for wide-ranging reform of the European Commission.

Allies insisted that he now had a golden opportunity to persuade other EU countries to

By ANDREW GRICE
Political Editor

force "complacent" member states, led by France, to accept radical reforms.

Privately, however, pro-EU ministers were gloomy. "It is a significant setback," said one. "We thought we had killed off the main bogeyman when Oskar Lafontaine (the German Finance Minister) resigned. Now the sceptics have found another one in the Commis-

sion." Some ministers even predicted that Mr Blair would be forced to delay the referendum he had planned to call after the next general election.

In an emergency Commons statement, Mr Blair agreed that "Europhobes" could exploit the crisis, but insisted that it was an "opportunity to push through root-and-branch reform of the Commission".

Last night he submitted a paper on Britain's plans to shake up the Commission to

Gerhard Schröder, the German Chancellor, when they held talks in Downing Street. The sweeping changes proposed include:

■ A new contract between the Brussels Commission and the European Council - the heads of government of the 15 EU member states.

■ Setting up an independent investigation office to probe fraud and financial irregularities.

■ An overhaul of the commission's auditing procedures,

financial management, spending and awarding of contracts.

■ Commission officials to be fully accountable for their budgets and programmes.

■ A new disciplinary procedure for staff who fall short of expectations.

Mr Blair also endorsed the reforms proposed by the Brussels inquiry report, which he said had "revealed a sad catalogue of negligence and mismanagement". But he reacted

coolly to demands for the European Parliament to be given greater powers to hold the Brussels bureaucracy to account.

He called for Jacques Santer, the Commission President, to leave "as soon as reasonably and practically possible".

Cabinet sources said the new president would have to be fully committed to reform. "We need a new broom for the project to have credibility," said an insider.

Mr Blair said that Mr Santer

was by no means solely responsible for the problems, and he pointed the finger of blame at John Major, the former prime minister, who played a crucial role in securing Mr Santer's appointment by vetoing moves to install Jean-Luc Dehaene, the Belgian Prime Minister.

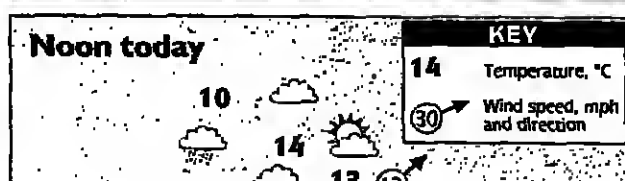
Mr Blair called for an end to the "horse-trading" which resulted in the outsider Mr Santer getting the job five years ago. "The top jobs should go to

the top people. Merit and merit alone should decide," he said.

The Tories were buoyed by the controversy, which could boost their prospects in the elections for the European Parliament in June.

The Opposition criticised Mr Blair for failing to learn a key lesson from the Brussels inquiry. "The EU tries to do too much and interferes too often. It should be doing less, and doing it better," said William Hague, the Tory leader.

BRITAIN TODAY



FORECAST

General situation: England and Wales with a dry and very mild day with any early banks of fog and low cloud lifting to leave sunny spells in most places. The best of the sunshine is likely to be in central and southern areas with some duller intervals over coasts and hills in the north and west. Scotland and Northern Ireland will also be very mild with sunny intervals developing in sheltered eastern areas, but western regions will have a lot of cloud and some local drizzle.

London, SE England, E Anglia, E Midlands, E England: Very mild with early cloud breaking to leave decent sunny spells. A light and variable breeze. Max temp 13-16C (55-61F).

Case S England, W Midlands: Early fog lifting to leave warm sunshine. A light and variable breeze. Max temp 13-16C (55-61F).

Case W, SW England: Mild with plenty of sunshine, but patchy mist and fog on some coasts and hills. A light and variable breeze. Max temp 11-13C (52-55F).

Case N England, NW & NE England, Wales, Lake Dist, Isle of Man: Rather cloudy across the hills, but mild with a few sunny breaks possible. A light breeze to south-westerly wind. Max temp 13-15C (55-59F).

NE & SE Scotland, Edinburgh, Aberdeen: Some cloud over the hills, but mild and dry with good sunny periods elsewhere. A moderate south-westerly wind. Max temp 11-14C (52-57F).

NW & SW Scotland, Glasgow, N & W Isles: Rather cloudy with some drizzle on coasts and hills, but mild with a few sunny breaks possible. A moderate to fresh south-westerly wind. Max temp 10-12C (50-54F).

N Ireland: Cloudy on western coasts and hills but dry and mild with good sunny spells elsewhere. A moderate south-westerly wind. Max temp 11-14C (52-57F).

It will turn noticeably colder with sunny spells and showers in most places. The showers will be heaviest and most frequent in the north with sleet and snow mixed in. Drifting snow is likely over the Scottish hills.

TRAVEL

London: A12 Green Man Roundabout, Leytonstone. Major roadworks on new M11 link road. Until 21st December.

Bristol: M5 J18-19. Major Roadworks on Avonmouth Bypass. Until 22nd June 2001.

Warwickshire: M42 Between J10 Tamworth services and J9 Sutton Coldfield. Roadworks and contraflow. Until 23rd April.

South Yorkshire: M1 Between J34 Thinsley Viaduct (A6108) & J34 Thinsley Viaduct (A6178). Sheffield. Carriageway is reduced to two lanes southbound. Until 21st November 2000.

Gloucestershire: A40 Lansdown Rd.

Chesham. Closed due to roadworks. Diversion in place. Until 1st June.

Co. Antrim: A1 Kingsway, Dunmurry. Roadworks, various lane restrictions. A12 Between J10 Tamworth services and J9 Sutton Coldfield. Roadworks and contraflow. Until 23rd April.

Co. Down: A6 Between Darby Southern Bypass (A50) and Shankill Road roundabout. East of Aveston. Contraflow for work on new A50. Until 19th October.

Co. Kerry: A1000. Call 0336 401777 for the latest local and national traffic news. Source: The Automobile Association. Calls charged at 50p per min (inc VAT).

YESTERDAY

EXTREMES

Warmest: Walton on Thames 15C (59F)
Coldest (day): Salloway 8C (46F)
Wettest: Aulbea 0.79 mm
Sunniest: Levens 10.8 hrs
For 24hrs to 2pm Tuesday

Sea level measured in metres

HIGH TIDES

AM HT PM HT
Auramouth 6:53 13.5 7:15 13.5
Cork 5:11 4.4 5:29 4.4
Doverport 5:24 5.4 5:48 5.4
Dover 10:37 6.5 11:00 6.8
Dun Laoghaire 11:04 4.1 11:34 4.0
Falmouth 4:55 5.2 5:19 5.2
Greenwich 12:03 3.1 12:29 3.4
Haverhill 11:44 4.0 - -
Hollyhead 10:00 5.7 10:24 5.6
Hull (Albert Dock) 6:02 8.5 6:10 8.8
Kings Lynn 6:03 6.7 6:08 7.5
Lahli 2:14 5.4 2:28 5.6
Liverpool 10:56 9.6 11:18 9.5
Milford Haven 5:52 7.0 6:14 7.0
Newquay 4:48 7.0 5:05 7.0
Plymouth 6:42 5.0 7:17 5.0
Portsmouth 10:56 4.6 11:24 4.7
Preston 7:08 5.0 8:07 5.0
Scarborough 10:57 3.5 3:53 3.7
Whitby 3:45 3.6 11:32 3.5

AIR QUALITY

Today's readings

London NO₂ Moderate SO₂ Good
S England NO₂ Moderate SO₂ Good
Wales NO₂ Moderate SO₂ Good
C England NO₂ Moderate SO₂ Good
N England NO₂ Good SO₂ Good
Scotland NO₂ Good SO₂ Good
N Ireland NO₂ Good SO₂ Good

SUN & MOON

Sun rises: 06:11
Sun sets: 18:08
Moon rises: 06:21
Moon sets: 17:49
Moon phase: Waxing Gibbous

WEATHERLINE

For the latest forecasts dial 0333 5009 followed by the two digits for your area. Source: The Met. Office. Calls charged at 50p per min (inc VAT).

RAIN OR SHINE...

THE RISK of being hit by lightning in Singapore has become so high that the government is erecting special lightning shelters and fitting school playgrounds with early-warning devices.

Yesterday, one Thai labourer was killed and another injured when lightning struck their construction site. Singapore has one of the world's highest rates of lightning strikes - 20 per sq km each year.

THE WORLD

EUROPE NOON TODAY

Key: 10-14°C pressure in millibars 1016-1024
14-18°C 18-22°C 22-26°C 26-30°C 30-34°C 34-38°C 38-42°C 42-46°C 46-50°C 50-54°C 54-58°C 58-62°C 62-66°C 66-70°C 70-74°C 74-78°C 78-82°C 82-86°C 86-90°C 90-94°C 94-98°C 98-102°C 102-106°C 106-110°C 110-114°C 114-118°C 118-122°C 122-126°C 126-130°C 130-134°C 134-138°C 138-142°C 142-146°C 146-150°C 150-154°C 154-158°C 158-162°C 162-166°C 166-170°C 170-174°C 174-178°C 178-182°C 182-186°C 186-190°C 190-194°C 194-198°C 198-202°C 202-206°C 206-210°C 210-214°C 214-218°C 218-222°C 222-226°C 226-230°C 230-234°C 234-238°C 238-242°C 242-246°C 246-250°C 250-254°C 254-258°C 258-262°C 262-266°C 266-270°C 270-274°C 274-278°C 278-282°C 282-286°C 286-290°C 290-294°C 294-298°C 298-302°C 302-306°C 306-310°C 310-314°C 314-318°C 318-322°C 322-326°C 326-330°C 330-334°C 334-338°C 338-342°C 342-346°C 346-350°C 350-354°C 354-358°C 358-362°C 362-366°C 366-370°C 370-374°C 374-378°C 378-382°C 382-386°C 386-390°C 390-394°C 394-398°C 398-402°C 402-406°C 406-410°C 410-414°C 414-418°C 418-422°C 422-426°C 426-430°C 430-434°C 434-438°C 438-442°C 442-446°C 446-450°C 450-454°C 454-458°C 458-462°C 462-466°C 466-470°C 470-474°C 474-478°C 478-482°C 482-486°C 486-490°C 490-494°C 494-498°C 498-502°C 502-506°C 506-510°C 510-514°C 514-518°C 518-522°C 522-526°C 526-530°C 530-534°C 534-538°C 538-542°C 542-546°C 546-550°C 550-554°C 554-558°C 558-562°C 562-566°C 566-570°C 570-574°C 574-578°C 578-582°C 582-586°C 586-590°C 590-594°C 594-598°C 598-602°C 602-606°C 606-610°C 610-614°C 614-618°C 618-622°C 622-626°C 626-630°C 630-634°C 634-638°C 638-642°C 642-646°C 646-650°C 650-654°C 654-658°C 658-662°C 662-666°C 666-670°C 670-674°C 674-678°C 678-682°C 682-686°C 686-690°C 690-694°C 694-698°C 698-702°C 702-706°C 706-710°C 710-714°C 714-718°C 718-722°C 722-726°C 726-730°C 730-734°C 734-738°C 738-742°C 742-746°C 746-750°C 750-754°C 754-758°C 758-762°C 762-766°C 766-770°C 770-774°C 774-778°C 778-782°C 782-786°C 786-790°C 790-794°C 794-798°C 798-802°C 802-806°C 806-810°C 810-814°C 814-818°C 818-822°C 822-826°C 826-830°C 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night of the long knives

'A completely ignominious way for them to be sacked'

AFF

Shadowy world of the 'state within a state'

10

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Worst moment for fiasco

18



(continued)

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'Chronic failure' at heart hospital

A PICTURE of a chronically malfunctioning hospital was painted yesterday at the opening of the public inquiry into the deaths of babies who underwent heart surgery at Bristol Royal Infirmary.

Tracey Clarke described failures at every level in the care of her daughter Melissa, who died 10 days after undergoing heart surgery in October 1991. The mistakes, omissions and lack of care described by Mrs Clarke, 36, from Devon, went far beyond the behaviour of the

By JEREMY LAURANCE
Health Editor

surgeons who were found guilty of serious professional misconduct by the General Medical Council (GMC) last year. She spoke of communication failures, faults in equipment, lack of support and a reluctance to confront problems which resulted in Melissa being kept on a ventilator for days after she was brain dead.

Mrs Clarke, who with her husband Graham is planning

legal action against the infirmary, was the first of at least 500 witnesses due to give evidence to the inquiry, chaired by Ian Kennedy, professor of health law and ethics at University College, London.

Melissa was born with the main arteries to her heart transposed, causing her frequently to turn blue because too little oxygen was getting into her blood. She was operated on by Janardan Dhasmana, one of the three doctors found guilty by the GMC last year. Hospital

records show that the operation went well. Mrs Clarke, who saw her daughter immediately after the surgery, said: "She looked lovely. She was pink and all the blue tinge had gone. I thought everything was fine."

It emerged yesterday, however, that 48 hours after the operation a problem occurred with the ventilator helping Melissa to breathe. A post-mortem examination report, which Mrs Clarke did not see until several years later, said Melissa had suffered respira-

tory failure "partially due to a mechanical failure in the ventilator". The report said it was "several hours" before "satisfactory oxygenation" was achieved. A second record referred to "split tubes" on the ventilator.

Mrs Clarke told the inquiry: "On the Thursday [nine days after the operation] I was not happy with what I was being told. I rang twice, the second time at 10.30pm, and I spoke to a doctor who said everything was going as planned. Those

words are ingrained on my mind." Next morning she and her husband were called to the hospital. "We walked into the intensive care unit and all the nurses turned their backs on us."

After a three-hour wait, the couple saw Dr Stephen Bolsin, the consultant anaesthetist credited with blowing the whistle on the surgery failures. He admitted there was no hope for Melissa and that she was brain-stem dead.

The next day, the hospital told Mrs Clarke her daughter

was still alive. She suggested it was time to switch off the ventilator. Half an hour later a nurse phoned to say Melissa had died in her arms.

The infirmary omitted to inform the Clarks' local hospital in Exeter that Melissa had died and six months later the couple received a letter about a missed appointment. Last month, eight years after their daughter's death, they learned the infirmary had kept her heart for two months after the post-mortem examination.

Black youth in coma after racist beating

A BLACK teenager was seriously ill in hospital last night after being beaten into a coma by a gang of white youths in a racially motivated attack.

David Virgo, 19, was punched to the ground and then kicked unconscious after leaving a pub disco in the West Midlands with two friends on Saturday night. He recovered consciousness yesterday.

Witnesses told police the trainee landscape gardener's head was "kicked like a football". His mother June was at his bedside last night at Russells Hall Hospital in Dudley, where his condition was described as serious but stable.

The attack is believed to be the most serious racial incident in Britain since the publication last month of Sir William Macpherson's report into the death of the black teenager Stephen Lawrence.

Detective Inspector John Larkin, of West Midlands Police, said: "We know David was viciously assaulted. He was punched to the floor and repeatedly kicked. One witness said his head was kicked like a football."

"It was a racially motivated attack, mercilessly and brutally inflicted. This was an horrific and brutal assault on a lad who had gone out to enjoy himself for an evening with friends."

By IAN BURRELL
Home Affairs Correspondent

Mr Virgo's father, Eluid, said last night: "When I was told what had happened to my son I could not believe it. Nobody deserves to be treated like that. The people who did this are wicked men."

The victim's sister, Marie, aged 29, said: "I was really shocked when I saw him. His face was badly beaten and the major injuries are to his head. He is a fun-loving quiet lad who likes to go out with his mates. He never goes out looking for trouble."

Chris Myant, of the Commission for Racial Equality, said the attack was a signal that society as a whole, not just the police, had to make more strenuous efforts to tackle racism.

He said: "This shows that unfortunately there are young people in Britain who don't appear to have shared the general public response to the death of Stephen Lawrence."

Police believe there were three members of the white gang and are appealing for witnesses to the attack, which happened at about 11.30pm outside a fish and chip shop in Blackheath High Street. Earlier in the evening Mr Virgo and his friends had visited a disco at the nearby George and Dragon pub.



An image of actor Terence Stamp will be on show in 'The Eye That Never Sleeps' the first retrospective of work by British photographer Terence Donovan opening today at the Museum of London until 1 August

'Sun' sets on career of spin doctor

By RYAN WILLIAMS

THE JOURNALISTIC career of Peter Mandelson's former aide, Benjamin Wegg-Prosser, ended before it began yesterday when it emerged that he will no longer be joining *The Sun*.

Mr Wegg-Prosser had been expected to start work as an assistant to the paper's editor, David Velland, next Tuesday. However, following the hardening of *The Sun's* opposition to the euro, the two sides have agreed to part company even though, strictly speaking, they did not come together in the first place. Sources indicated that the split was also precipitated by fears among *The Sun's* political staff that employing Mr Wegg-Prosser would lead to accusations that it was climbing into bed with New Labour.

"The Sun has decided it is no longer appropriate to employ me following its decision to take a more emphatic line on the euro," Mr Wegg-Prosser said yesterday. "I'll have acted honourably throughout."

The *Sun* announced it was hiring the former Labour aide in the wake of Mr Mandelson's resignation as Secretary of State for Trade and Industry in January. Mr Wegg-Prosser was expected to earn £13,000 for acting as a political adviser to Mr Velland. It is understood the paper's political staff were decidedly cool about the idea.

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HOME NEWS/5

BY RHYNS WILLIAMS

THE CHIEF Constable of Northampton police raised the

Chris Fox, the head of the force, appeared to directly contradict the Bassetlaw MP's account of how he was found in a massage parlour during a police raid.

Confirming for the first time that Mr Ashton was on the premises in the Northampton parlour, Mr Fox said that his officers had been forced to run a computer check to check the MP's identity.

Mr Fox said that Mr Ashton was subsequently interviewed by police in the presence of his solicitor and declined to give a witness statement.

The Police Constable said he had decided to give more details about the raid on the Thai massage parlour in Northampton last November because much of the information was already in the public domain.

Four people were arrested on suspicion of committing sexual offences and a number of Thai women were deported for breaches in the immigration rules.

The police announcement came a day after Mr Ashton denied that he had taken part in or paid for any sexual services at the parlour and said he had not given "inaccurate particulars" of his name and address.

The 65-year-old MP said on Monday that he was considering calling for a full Police Complaints Authority inquiry into how his name had been leaked to newspapers.

He claimed that the reports in Sunday tabloid newspapers could have only come from Northamptonshire Police and warned that he might take the

BY PAUL WAUGH
Political Correspondent

matter up with the Data Protection Registrar
Mr Fox said yesterday that if any member of his staff was involved in leaking information to the media about the raid they would be "dealt with in the strongest possible way".

No official complaint had been received, but he said that the force had its reputation and integrity to protect and would treat seriously any allegations of breaches of confidentiality.

"Allegations of this kind can be extremely damaging to the force and I have yet to find out why people are so sure that any leaks must have come from Northamptonshire police," he said. "There were a great many other people with knowledge of this case - defendants, witnesses, legal representatives, other organisations and other individuals."

He would be writing to Mr Ashton to ask him to substantiate his allegations that his police force might have been responsible for leaking details

A statement by the force said: "When questioned at the weekend about Mr Ashton's presence at the massage parlour during the raid, Northamptonshire Police confirmed that one man was present when officers executed their warrant.

"They said he was not committing any offence and that he declined to assist the police as a witness, which he was perfectly entitled to do.

"However, now that it is in the public domain, Northamptonshire Police confirm that Mr Ashton was present at the massage parlour when the warrants were executed."

The Labour Party refused to comment on the Chief Constable's statement.



THE LONG Room at Lord's

cricket ground yesterday opened its doors to women and made history when the Marylebone Cricket Club (MCC) proudly displayed its first female members.

The occasion marked the end of more than 200 years of resistance to women in this, the most famous club in cricket, and took place at the home of the sport.

Tony Lewis, the MCC pres-

BY JOHN DAVISON

ident, said: "I hope you enjoy your membership. Don't relax too much - we will need your experience and help as the culture of this great club changes."

Assuring the 10 women that they have "not been pawns in the popular game of social or political correctness", he added: "The unanimous thinking of the committee was sim-

ply this ... we could not claim to be a great cricket club unless we had a women's team and women members. A simple equation. The first MCC women's team takes the field on May 11 in East Molesey, Surrey."

It had been one matter for a committee to decide on such a change and quite another to persuade almost 18,000 members to agree with it. "It was like turning an ocean-going

One of the first women members, former England women's cricket captain Rachael Heyhoe Flint said: "I might be referred to as the catalyst, who in 1991 had the

temerity to apply to become a member." Among her supporters was the late commentator Brian Johnston, and she said: "I wish Johnners was here today, because during

the progress of this, he kept saying to me, 'it will eventually happen, but I doubt whether I shall see it in my lifetime'."

Former England cricketer Lord Cowdrey said: "I think it's a wonderful day and I look forward to the day when the MCC

Another former England captain, Ted Dexter said: "It just took a little time to see the wood from the trees."

By JOHN DAVISON

THERE was rejoicing in the cerebral world of chess yesterday, following the news that the game of wit and guile is about to make it to full sporting status. Being ranked alongside the likes of football, athletics and synchronised swimming means that chess would be eligible for grants from sporting bodies.

The announcement was made by Tony Banks, the Sports minister, in a Commons debate on Monday, who said the Government was willing to legislate for the necessary changes. The British sports councils would also have to change their royal charters in order to accommodate chess, he said, after which the new "sport" should also be eligible for lottery funding.

"This is excellent news," said Robin Mackley, a director of the British Chess Federation. "It is something we have been striving to achieve for many years."

But difficulties revolve about the definition of a sport in the 1937 Physical Training and Recreation Act, which inconveniently for chess includes the idea of some degree of physical effort. No problem, said the bold Mr Banks, he will simply have it altered. Chess and other "mind games" are to be included

The debate was introduced by Evan Harris, Liberal Democrat MP for Oxford West and Abingdon, himself a former

schoolboy chess champion. He pointed out that Britain was the second- or third-best chess nation in the world. "Our success at it is something we should be

Support from an unexpected source came from Ellery Hanley, the legendary rugby league player and coach at St Helens. "It's got my vote," he said, having been assured that he wasn't

ing been assured that he wasn't the victim of a "wind up". "I think it is good to have an outlet in doing something else. Mine is chess ... It gives you that time to think, and patience as well."

Eric Cantona, that other sporting sage, could not have not it better

Leading article,
Review, page 3

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Nelson assassination: Kent chief constable will head murder inquiry in effort to quell rumours over links to bombing

Police to investigate RUC 'collusion'

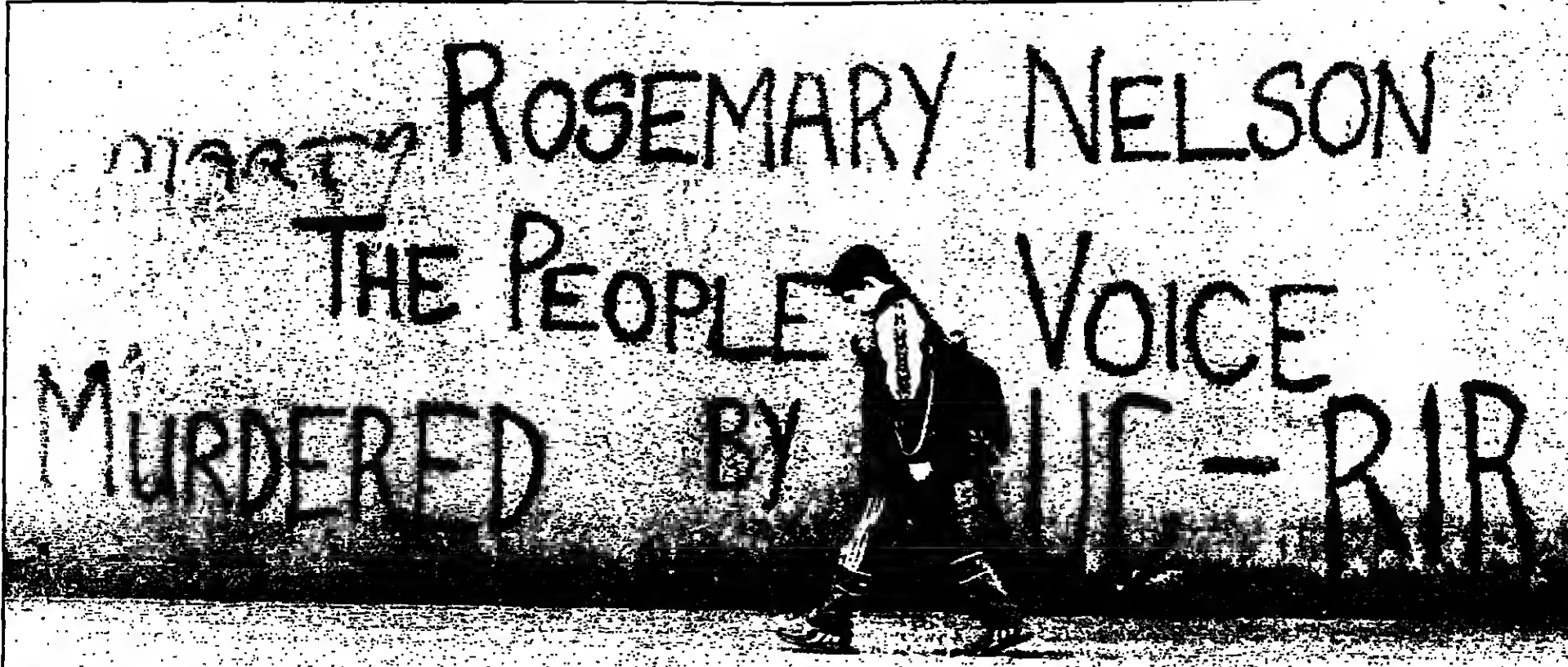
By DAVID MCKITTRICK
Ireland Correspondent

THE ROSEMARY Nelson killing and the unanswered questions surrounding it yesterday resulted in the Royal Ulster Constabulary calling in officers from England and from the FBI to assist in its investigation.

The move followed a wave of criticism and allegations against the RUC from nationalist and human rights sources. With accusations of collusion thick in the air, the force clearly believed it had to move swiftly to counter criticisms that it would be investigating itself.

The Chief Constable, Sir Ronnie Flanagan, announced he had asked the Chief Constable of Kent, David Phillips, to head the investigation, and that the FBI would also be involved. He added: "I think it is important, when there are grave concerns about Mrs Nelson on the international front, that their involvement will also give this investigation an international dimension as well as added independence. I recognise this is an unprecedented case in the nature of the sort of allegations that have been made."

In Washington, the Northern Ireland Secretary, Mo Mowlam, described Mrs Nelson, who was fatally injured by an undercar boobytrap bomb on Monday, as "a brave woman



Graffiti that appeared after the murder of Rosemary Nelson. The solicitor claimed she had been the victim of 'numerous death threats' from police officers Alan Lewis

who stood up for what she believed in and carried those beliefs into her work."

Although the murder was claimed by the Red Hand Defenders, a small grouping responsible for two other killings in the past six months, the pos-

sibility that it had help from a larger loyalist organisation is being investigated. Undercar boobytraps were a regular feature of the IRA's campaign of violence until the early Nineties, but they have remained outside the capabilities of almost all loy-

alist organisations. The exception to this has been the Ulster Defence Association, which has mounted four such attacks in just over two years, one of which resulted in a death. The possibility of a large-scale return to UDA violence is

of major concern to the authorities. All elements of the political spectrum are wondering how the killing will affect the peace process and the chances of finding agreement on a new, developed government.

In Lurgan, Co Armagh,

parish priest Father Kieran McPartlan said Mrs Hamilton's husband and three children were shocked and distressed by the killing. "They are numb, feeling very helpless and in need of support and care."

In the city of Londonderry,

solicitors staged a march to an RUC station. One of them, Paddy McDermott, said they wished to express disquiet at the murder and solidarity with the Nelson family. "We wish to make it clear that we want to see a full and proper indepen-

dent investigation into Rosemary's death and into the threats which were made against her life."

Param Cumaraswamy, the United Nations special investigator to whom Mrs Nelson had complained of police intimidation, said he had feared for her life. Describing her as a very courageous human rights lawyer, he added: "Though I feared that Rosemary's life was at stake, I really didn't expect this to happen to her and this is really a shock."

Mrs Nelson had been due to meet a police watchdog body on 30 March to hear the results of an investigation into her complaints that she had been the subject of death threats and assaults from officers of the RUC. She had arranged to meet the Independent Police Complaints Commission to discuss the findings of an inquiry set up after a UN human rights report last year, which quoted complaints from Mrs Nelson that she had been the victim of "numerous death threats".

It was the latest in a long line of reports into human rights issues in Northern Ireland which describe a pattern in which RUC detectives questioning paramilitary suspects are said to threaten both the suspects and their lawyers.

Leading article, Review, page 3

Mowlam plea for gesture to end stalemate

By ANDREW MARSHALL
in Washington

DAVID Trimble said that he hoped President Clinton would ask Gerry Adams to begin de-commissioning. "The important thing that can be done by people here in Washington is to use what influence they have with those elements in Northern Ireland who have yet to begin their end of implementing the agreement," he said.

Sinn Féin are playing a "long game" he added, saying that he feared that progress on de-commissioning might be stretched out for weeks if not months. He also said he was concerned that the issue of de-commissioning might become entangled with the forthcoming report from Chris Patten, the former governor of Hong Kong, on policing in Northern Ireland.

US officials say that Mr Clinton will reiterate that all parties must respect the spirit as well as the letter of the Good Friday Agreement, and that some movement from Sinn Féin is necessary.

Searus Mallon of the SDLP has outlined a formula that would see further British military withdrawals and demilitarisation, efforts to build confidence by identifying the burial sites of some of Northern Ireland's many "disappeared", and a clear commitment to begin disarmament.

But the key would be a change of tack from Sinn Féin. "I think there's room in there for Sinn Féin to move," he said.

"We are very far along this road. It would be a tragedy if we didn't keep on walking down it," said Ms Mowlam. "A gesture... a beginning" was needed to end the stalemate between the nationalists and loyalists over whether Sinn Féin could take its place in the executive before de-commissioning began. "Everybody is going to have to move, everybody is going to have to do something," she said.

Ms Mowlam, Bertie Ahern, the Irish Prime Minister, David Trimble, the First Minister, and Gerry Adams, leader of Sinn Féin, will all be in Washington for the talks.

"We are very far along this road. It would be a tragedy if we didn't keep on walking down it," said Ms Mowlam. "A gesture... a beginning" was needed to end the stalemate between the nationalists and loyalists over whether Sinn Féin could take its place in the executive before de-commissioning began. "Everybody is going to have to move, everybody is going to have to do something," she said.

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IN BRIEF

Doctor 'ordered mercy killing'

A nurse told a General Medical Council disciplinary hearing yesterday that she had refused to take part in a mercy killing. June Bleasdale was deputising as a nursing home in Preston in 1995 when she claims Dr Ken Taylor told her to withhold food supplements from Mrs X, 85, who died 58 days later. The case was adjourned until tomorrow.

President of NUS re-elected

A LEFT-WING challenge for control of the 3 million-strong National Union of Students was defeated yesterday as Andrew Pakes, the Labour candidate, was re-elected for a second term as president. Mr Pakes took more than 55 per cent of the vote at the NUS conference in Blackpool.

Villagers protect ringing of bells

PURCHASERS OF new homes being built just a few yards from All Saints Church, Thurlestone, Devon, are being asked to sign an undertaking never to object to the sound of its bells, regarded as a cherished part of village life.

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Police stations ignored by public

THE DAYS of traditional police stations, with their reassuring blue lamps and 24-hour service, are numbered. A new study has found that many stations are so dilapidated and inconveniently located that they are next to useless.

Birtley police station, near Gateshead, Tyne and Wear, is, or rather was, a perfect example of the problem which has been highlighted in the Audit Commission's report. A police survey found that during one year not a single member of the

BY JASON BENNETT
Crime Correspondent

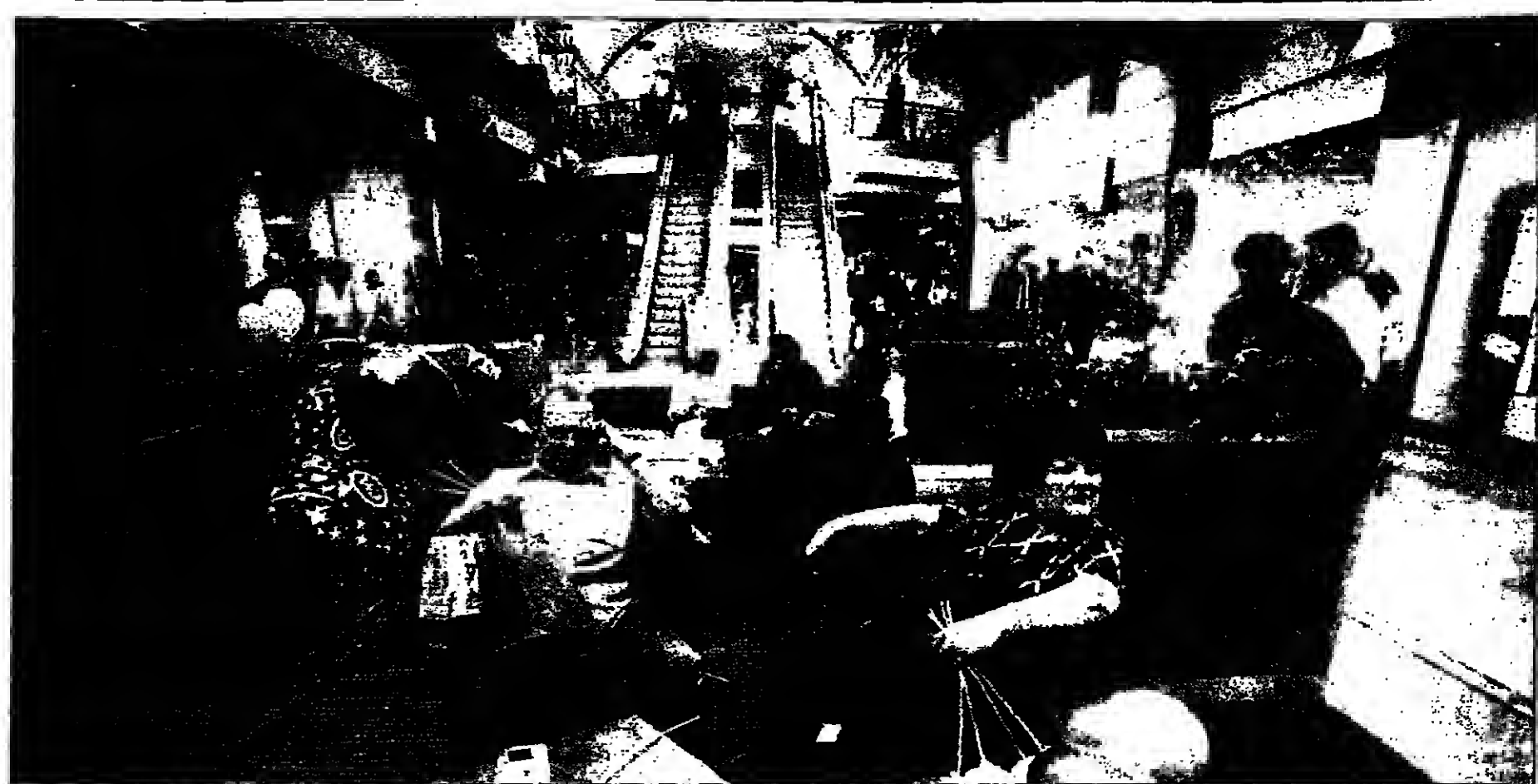
phoning our central control room if they had a problem. We closed it down and didn't tell the public to see what response we would get; no one noticed."

The building is for sale and has been replaced by a mobile station in a caravan, which has resulted in a drop in crime.

The Audit Commission report, "Action Stations - Improving the Management of the Police Estate", found that policing priorities and the public's needs were rapidly changing. A survey in Northamptonshire discovered that people were more likely to go to a police station to report lost or stray dogs than to give details of a crime. The most popular reason for a visit to one of the 2,000 stations in England and Wales is to inquire about lost or found property which accounts for one in five trips. Only three in every 100 people go to a station to report a crime.

The report claims that communities often fear that their area will be less safe without a local police station. "In fact, closing some stations or contracting opening times can release officers for more patrol," says the study by the public spending watchdog.

Superintendent Brian Graham, who is in charge of the area surrounding Birtley in the Northumbria police region, said: "There was not a soul going to the station. It was in the Dark Ages and would have been very expensive to update. It was at the wrong end of the town and people were tele-



Apparently overwhelmed by one of three 'Shopping Experiences' at the new Bluewater complex, two shoppers take a break

David Ross

Bluewater: a shopping centre that has everything - except a sense of restraint

BLUEWATER IS the largest shopping mall in Europe and, as revealed at yesterday's opening, it is also probably the strangest. This is not necessarily a bad thing. Most shopping malls are ghastly. Bluewater is not ghastly; it has seven lakes, a forest and 10,000 daffodils to blunt the truth of what goes on here. And that is shopping so excessive - there are 320 retail outlets - that it might be an Olympic sport before long.

Bluewater's spokeswoman does not agree. "It's not really a shopping mall at all. It's more of a Destination Day Out." She said I couldn't miss it. She was right.

Bluewater looks like a futuristic mini-city. The building has pointy bits on the roof which the architect, Eric Kuhne, says are supposed to resonate with the shape of the Kentish oast house. It reminded me of Madonna's old Gaultier bustier but that could just be because he's from Texas and I'm from Kent.

BY ANN TRENNEMAN

It is easy to find and, with 13,000 parking spaces in specially designed people-friendly car parks (evidently a new concept), it is easy to park. Inside, you find yourself in a "welcome area". I later learn this is designed to prepare me to spend, spend, spend.

There's a place to park your husband, park your coat, get a cappuccino and then get ready to punch a hole through your credit card!" exulted Stuart Hornery, chairman of Lend Lease, the Australian company behind Bluewater.

I don't know of those things but did manage to get lost. Bluewater comprises three malls designed for three shopping experiences (I'm sorry to use such language but everyone does after breathing mall air for a few hours). The Guildhall is family focus, the Thames Walk is the High Street. They are arranged in a triangle with each corner anchored by a store: John Lewis, Marks & Spencer and House of Fraser.

There I was, lost and not even knowing what shopping experience I was supposed to be having, when I met a man.

"Hello there!" he said.

"Who are you?" I demanded.

"Why, I'm just someone saying hello," he said.

"Are you sure?" I asked.

"Yes," he said.

I was still suspicious. "So, why are you here?"

He then revealed he was responsible for the toilets. He said they were the best toilets in any shopping mall ever.

Quality, quality, quality.

The next man I met was the architect. Mr Kuhne is very large and tall, which is exactly how a Texan should be, and told me that Bluewater had

begun as a poem. He composed the sonnet in July 1996 as a way of distilling the project's ethos. His sonnet begins, "White chalk cliffs and waters blue/surround the crystal city new" and ends with, "Build this dream with forthright hands and hearts that beat with industry". But he said that Bluewater was really best summed up by Keats. He said:

"To one who has been long in city pent,

'Tis very sweet to look into the fair

And open face of heaven -

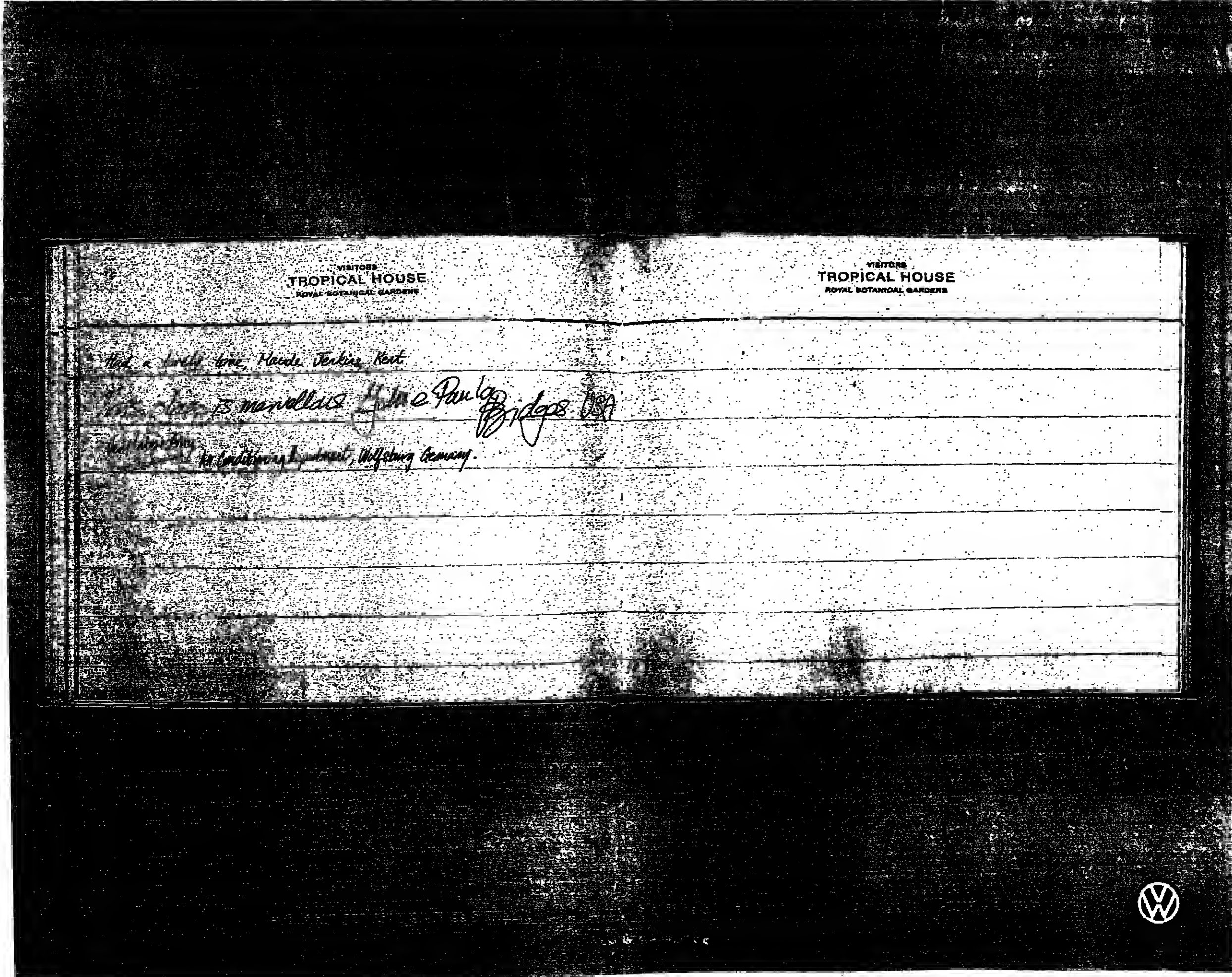
to breathe a prayer

Full in the smile of the blue firmament."

I said that I wasn't sure that took in the £350m invest-

ment here. He quit quoting long enough to say that actually, with the shops in, the place was now worth £1.12bn. Keats' words could be found engraved around the corner.

Bluewater is dotted with little seating areas. Most of the people seated in them are men. I introduced myself to Tony Sheppard, who had just bought a video. "Actually I'm really here to buy a wedding ring." He and his fiancée have been engaged for three years. He had already seen a few rings he liked. I mentioned poetry. "Great! I need some of that for the wedding." I didn't have the heart to tell him he is right smack in the middle of a Shopping Experience.



Blair takes credit for mucking out the Augean stables

AT THE beginning of the week, the Committee of Independent Experts had diverted a stream through the European Commission - a cleansing torrent which swept both the sleazy and the spotless before it and left behind a damp and slightly astonishing vacancy.

Yesterday the leaders of both parties turned up in the House of Commons to argue about the best ways of finishing the job and of preventing the manure from accumulating all over again. In theory, at least, the stimulating events of the past 24 hours were up for grabs by two implacably opposed groups -

the pro-stable faction and the anti-stables - but only one could finally secure this important strategic asset. The fight for possession was clearly going to start at once. Mr Blair's position could best be summed up as "more vigorous stable hands now"; Mr Hague's as "time for fewer horses".

Mr Blair began his statement by claiming that the broom which had initiated this scouring flood actually had the Labour Party's name penned on its handle - the motion to establish the committee of experts having come from the Labour group of the European Parliament. Tory MPs jeered loudly at this self-

serving historical footnote and, in truth, it did provide an uncharacteristically defensive beginning to a speech that was otherwise brisk and commanding. The tone was not that of someone attempting to recover from a nasty setback but of a man capitalising on an unexpected stroke of fortune.

For some time Britain had been calling for better waste management, only to be told by some European colleagues that complete hygiene was impracticable and by others that a bit of manure was good for the livestock. Now those arguments had been swept away and along with them, perhaps, the objections of

THE SKETCH



THOMAS
SUTCLIFFE

those who did not want to enter the stable. Handled in the right way, Mr Blair argued, this could be a triumph for Northern farm management.

Matters were a little more difficult for Mr Hague, who at one point had the audacity to demand that the Government act decisively "to restore public confidence in European institutions".

"Public confidence in European institutions" is very last thing that Mr Hague actually wants. In truth, he and other Eurosceptics had woken to gloomy news yesterday: if you want to continue insulting a man on account of his unpleasant stink it is naturally a bit of a blow to find that he has just taken his first bath for 20 years and is currently browsing the anti-perspirant counter at Boots.

The only option open to Mr Hague was to argue that the problem was physiological and not superficial - that mere cosmetic changes of personnel would not prevent this noisome pollution from arising again, only a diminution of the scale of the European Commission's activities.

Mr Blair came back hard and personal, reading out endorsements of Jacques Santer's qualities from John Major and Francis Maude and then noting, pointedly, that the Conservative Party had "a habit of appointing compromise candidates who seem like a good idea at the time".

He also asked, like a man who cannot believe his luck, whether Mr Hague really had just committed the Conservative Party to a unilateral withdrawal from the Common Fisheries Policy.

Mr Hague nodded, having no alternative, but he didn't nod very vigorously and he didn't look very exhilarated as he did it. Whereas Mr Blair could plausibly claim to be surfing on this tidal wave, using its impressive momentum to get where he wanted to go in the first place, Mr Hague appeared to be tumbling along in its wake, trying desperately to keep his head above water as he went.

Failings in EU tolerated 'for far too long'

"ROOT AND branch reform" of the European Commission was demanded by MPs from all sides yesterday as Tony Blair called for an entirely new framework for fighting fraud and financial irregularities in the EU. Opening his Commons statement, Mr Blair said it was "absolutely right" that the whole Commission had resigned because the inquiry report revealed a "sad catalogue of negligence and mismanagement".

"It is a damning report. It catalogues in key areas a culture of complacency and lack of accountability, and in some cases nepotism, that is unacceptable. It has revealed systemic failings in the Commission which have been tolerated for far too long. It was absolutely right that the Commission resigned en masse. The president of the Commission should leave as soon as reasonably and practically possible and a new president should take his place," he said.

While Conservative leader William Hague welcomed the proposals he demanded that Sir Leon Brittan and Neil Kinnock, the two British EU commis-

EUROPE
BY SARAH SCHAEFER
Political Reporter

sioners, should also be prevented from being appointed to the new Commission.

"While I support the idea [that] those commissioners not directly implicated by the report should serve out their terms as an interim measure, there should be a total clear-out of the existing Commission and an entirely new set of commissioners appointed," he said. Mr Hague added that there was an "even bigger issue and a more important challenge" because it was time to change the whole structure which led the Commission and the EU "to do too much and interfere too often".

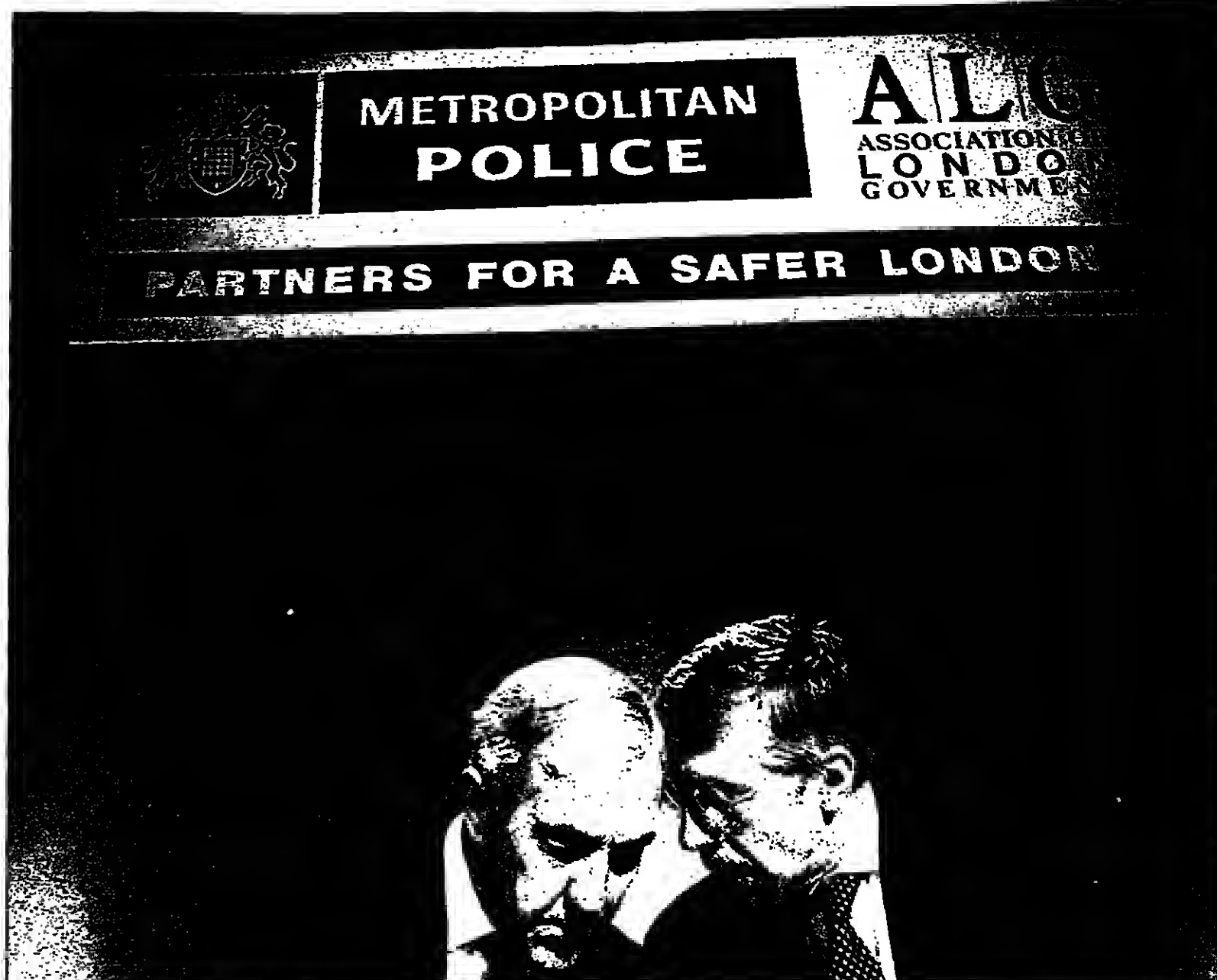
Individual countries, for example, should be able to control their fisheries while recognising the traditional rights of other countries. Replying, Mr Blair made clear that the majority of the irregularities mentioned in the report happened before his own Government was elected, adding: "Do we use these events as an excuse to indulge in the anti-Europeanism of the present Conservative

Party or do we see it as an opportunity to drive through a reform agenda from a position of strength and influence in Britain and Europe's interests?" John Major, the former Tory prime minister, referred to the "institutional problem" that had long existed in the EU. "The structure of the Union is such that the Commission is accountable to the Council of Ministers, but in practice the Council meets only irregularly," he said.

"Isn't one of the most important reforms, many years overdue, a clear-cut financial accountability by the Commission ideally to the member states of the EU or to a body that reports directly to the member states?"

Sir Edward Heath, another former Tory prime minister, said it was the "first time that the European Parliament has been prepared to act and act decisively... Things will never be the same again."

Sir Edward supported the drive for reform but warned Mr Blair against trying to "run everything", because that would arouse resentment among other EU nations.



The Metropolitan Police Commissioner, Sir Paul Condon, and the Home Secretary, Jack Straw, at 'Partners for a Safer London', a conference on crime reduction. Tom Pilstow

Police told to speed up millennium bug work

THE FOREIGN OFFICE, the RAF and police forces across the UK have been told by the Government to improve dramatically their efforts to tackle the millennium computer bug.

Margaret Beckett, Leader of the House of Commons, said that while most public bodies had made great strides in preparing for the 2000 date change, some departments gave serious cause for concern.

With fewer than 300 days to go before the changeover, she revealed that United Kingdom embassies abroad and key Ministry of Defence agencies were not likely to be "millennium

compliant" until as late as December.

Mrs Beckett singled out the Foreign Office and the MoD as in need of major improvement as she published the first league tables showing the progress of government departments and agencies.

The minister also attacked police forces for failure to draw up contingency plans should computers and other equipment be crippled by the date change.

In her fifth quarterly state-

ment to Parliament on preparations for the bug, Mrs Beckett announced that more than half of the 46 police forces in England and Wales do not yet have business continuity plans in place.

The cost of tackling the bug within all Whitehall departments stood at £420m, a rise of 2.5 per cent on the previous quarter.

The tables show that more than half of government departments had finished correction work on their computer systems. The worst performers were the Ministry of Defence Procurement Executive, the Defence Evaluation and Research

Agency and the Home Office's Forensic Science Service, which are scheduled to be compliant only by December. The RAF is the slowest of the armed services and won't be ready until November. And the Foreign Office and the Royal Navy will not be bug-free until October.

Some agencies, such as the Vehicle Inspection Agency and Ordnance Survey, had slipped behind by up to 18 months from original plans to achieve full compliance.

A Cabinet Office source said some departments would be told they had to "do a damn sight more" to improve performance.

QUESTIONS AND ANSWERS

Motoring costs

MORE THAN 2 million motorists who use four-star petrol will have to pay between £200 and £400 to have their engines adjusted if they want to switch to a lead replacement fuel - designed for car engines which cannot be converted to lead-free petrol, Transport minister John Reid said.

Shipping fees

DUES PAID by shipping companies for the upkeep of lighthouses, buoys and beacons are to remain unchanged at 41p per ton for 1999-2000, Transport minister Glenda Jackson announced.

GM tests

TRIALS OF genetically modified oilseed rape have so far not revealed harmful side-effects on weeds or other plant species, Environment minister Lord Whitty disclosed.

Ministers 'gone soft on fraud'

SOCIAL SECURITY
BY PAUL WAUGH

THE GOVERNMENT was accused yesterday of "going soft" on benefit fraud by cutting funds to investigators and scaling down national campaigns to root out criminals.

The Tories claimed that Alastair Darling, the Secretary of State for Social Security, had also deliberately understated by half the number of arrests for fraud in order to cover up his department's failures.

Iain Duncan Smith, the Tory social security spokesman, said that the Benefits Agency security investigation service (Basis) had had to cut back its operations because it was running out of funds.

Mr Darling had stated that there had been an average of 18 arrests per month from September to December by Basis's southern command. However, the chief executive of the Benefits Agency has now directly contradicted the minister claiming that the real figure was 36 arrests per month for the region. Investigators said that had plummeted to 16 in January because their budgets ran out.

Strikes on Iraq

MPs FROM all sides attacked military strikes on Iraq as Foreign Office Minister Derek Fatchett insisted that the RAF was operating under humanitarian obligations to protect no-fly zones. Leading the concern, David Winnick, Labour MP for Walsall North, urged the Government to accept a "precise limit" on bombing because "a bloodthirsty and murderous regime like Saddam's will not be brought down by bombing".

Awaiting trial

MINISTERS WERE urged by Anne McIntosh, Conservative MP for Vale of York, to introduce a legal time limit on how long people awaiting trial in England and Wales can be remanded in custody. Her Prevention of Delay in Trials Bill, which has cross-party support, would set a limit of 110 days between indictment and trial.

Lords reform

MPs WERE poised to vote overwhelmingly for the third reading of House of Lords reform last night with Commons leader, Margaret Beckett, hailing the abolition of hereditaries' voting

THE HOUSE

rights as a "prize worth securing in its own right". In future they would be free to serve "in just the same way and on just the same terms as all their fellow citizens" without a reserved place in the country's public service, she said.

Today's Agenda

Commons, 9.30am: Backbench debates: The Greening Government initiative; maritime and coast-guard agency; health and safety at Northern Ireland soccer grounds; economic decline in suburban areas; regulation of water charges.

2.30pm: Cabinet Office questions; Prime Minister's questions; Tax Credits Bill; remaining stages; short debate on public services delivery in rural areas.

Lords, 2.30pm: Backbench debates; the need to maintain respect for Parliament; the situation in Nagorno-Karabakh.

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DIRECT

Chris Burden testing one of the planes from his "factory" which is to open in the Tate tomorrow

Andreas Baumgartner

AN ETON College pupil died when he hanged himself in a "fainting game" that was played virtually every night between suppertime and prayers at the private school, an inquest heard yesterday.

BY KATHY MARKS

sons. "We got a slight buzz from it when we came around."

A post-mortem examination concluded that Nicholas died of asphyxia in his room at the school, where pupils include Princes William and Harry.

His parents, Malcolm and Liz Taylor, attended the inquest at the Guildhall, Windsor, but were too upset to speak.

Mr Wilson said he had struggled to understand what had gone through Nicholas's mind. "I have been in this court for 28 years and I thought I had heard everything," he said.

"This fainting game was taking place between boys who are some of the cream of our society, who are probably also of above average intelligence. Why? What words spring to mind - crazy, mad stupid?"

that Nicholas had tried to "faint" himself, but had no intention of taking his own life.

He added: "I find it difficult to criticise Eton College. Yes, they had an absolute duty of care, but there is only so much you can do."

"I shall go away; the boys will go back to college and the college will return to its normal self. The incident will be put behind everyone, save Mr and Mrs Taylor, who have lost a son in tragic circumstances."

One of Nicholas's friends said: "There were about six or seven faintings each evening." Other pupils said that Nicholas seemed to take particular pleasure in the game when he was under pressure.

The housemaster of Baldwins Bec, Robert Topham, said the game had been kept a secret from school authorities: "It is almost a general rule that a

clever boy who does not want to get caught may well not get caught doing something that may be inappropriate or wrong" he said.

Another of Nicholas's friends said Nicholas had tried to perform it on himself on a previous occasion: "Nick was standing by the door with my dressing gown cord," he said. "He said: 'If no one is going to do it to me, then I'll do it to myself.' He put the dressing gown cord around his neck."

Another boy said that the person being "fainted" would tap on someone's thigh as the cord was pulled. When he stopped tapping, that was the signal for them to stop.

Describing versions of the game, he said: "If you hug someone really hard and then they stand up, all the blood rushes to their head and they can faint that way."

Tate turns profit-making into art-form

ART AND science have finally come together, with mammon right in the middle.

BY DAVID LISTER
Arts News Editor

The Tate Gallery is about to make one of its most radical breaks yet with the concept of what is art. The Tate's Duveen galleries, which used to hold Rodin's sculpture *The Kiss*, will from tomorrow house an assembly line making model aeroplanes.

The assembly line will manufacture rubber-band powered model aeroplanes from tissue paper, plastic, and balsa wood parts. The planes will come off the production line at the rate of one every two minutes, fly up, circle and descend, to land on the gallery floor. Twenty-five thousand will be produced over the four-month run of the exhibition.

Each will be on sale to the public at £5. And visitors will be free to fly them from the steps of the gallery.

The exhibition "When Robots Rule: The Two-Minute Airplane Factory" is the work of the 52-year-old American artist Chris Burden, whose aim is to demystify science

But is it art? Most certainly, says the Tate curator Frances Morris. "At the end of the century you are free to examine the great questions without pro-

professional restraints. You can be a free spirit. And there is a dark side being explored. Aeroplanes are liberating. But they are also instruments of mass destruction. It won't take you long before a work like this begins to echo the Blitz: dozens of planes cascading from the front steps of the Tate on to the Jackson Pollock ticket-buymers."

Chris Burden says: "I want people to understand these processes. Do you know how your telephone or television works? What I really want is for this exhibition to be a real model of industrial capitalism. We have built a machine. It makes a product. We are selling the product for \$5. Then it comes a magic moment when everyone else you sell makes a profit. And that's art too. It's beautiful." He added: "Artists and scientists used to be the same people; you looked through your telescope at night and painted in the morning. An astronaut in America said recently that NASA had made a very great error. They should have sent painters and musicians to look out of the window and digest what it means to enter outer space."

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Parenting: Research stresses importance of father-son relationships, as number of babies conceived inside marriage falls



Some of the participants in the survey, which found emotional support from father figures is crucial to boys

Boys are suffering from 'Dad Deficit'

BY CLARE GARNER

BOYS WITH low self-esteem suffer from "Dad Deficit" – a low level of emotional support from their fathers, according to a survey published yesterday.

Lack of paternal involvement is linked to a son's poor opinion of himself, his "anti-school" attitudes and a tendency to get into trouble with the police, the nationwide survey of 1,400 boys between the ages of 13 and 19 indicated.

However, it is unclear which comes first – the low self-esteem or the "Dad Deficit". Independent research suggests that fathers find it easier to be close to sons who they perceive as successful and that their increased interest feeds into the son's confidence.

Researchers measured the level of interaction between

fathers and sons by how much time they spend together, how much interest the father pays to the son's schoolwork, and to what extent the father is willing to talk through the son's worries.

At one end of the scale was the "Dad Deficit" (DD) and, at the other extreme, the "Highly Involved Man" (HIM), whose supportive influence proved disproportionately positive.

HIM fathering was as effective regardless of whether the man lived at home or was the biological father.

Adrienne Katz, the author of the study, "Leading Lads", wants to encourage men who come into contact with boys, be they fathers, teachers, youth

workers or sports coaches, to be more aware of their responsibility. "Men don't seem to understand the power of their input," she said yesterday. "Boys are much less likely to turn to a friend than girls and so they need emotional support from the family. If a father models behaviour which never talks about feelings, it is hard for a boy to seek help if he's depressed or troubled."

The study showed that HIM fathering protects against depression and even suicide. According to the Samaritans, suicide attempts by young men have increased by 118 per cent in the past 10 years.

In 1996, 547 young men took their lives, compared with 157 young women.

One of the most striking findings of the "Leading Lads" study was the extent to which boys put up barriers to avoid getting help. However, boys with highly involved fathers were less likely than "Dad Deficit" sons to believe that boys are expected to cope with problems on their own.

Cultural beliefs about how a man should act and what boys do or do not do were found to be felt most keenly by those boys with the poorest self-image. They are also most likely to have fathers who tell them, "boys don't cry".

Boys are inclined to protect their parents by keeping the problems to themselves. They know that their fathers want to be proud of them and believe that to tell them they are not coping would be to let them down.

As one interviewee, Danny Evans, 17, from north London, put it: "Boys have a secret second life on the inside and a shell outside... Every father wants to be proud of his son, enforcing definitions of what these children should be – and it's doing harm. Some people are dying inside but too scared to admit it to themselves."

As the "Leading Lads" survey was conducted only over one year it was unable to establish whether there is a causal link between low self-esteem and "Dad Deficit".

Unmarried conceive half of all babies

BY LINUS GREGORIADIS

HALF OF all conceptions now take place outside marriage, compared with just over a third in 1986, according to government statistics published yesterday.

Figures released by the Office for National Statistics (ONS) show that out of just under 800,000 women who conceived in England and Wales in 1997, 400,000 were unmarried. In 1986, by comparison, 305,000 conceptions out of a total of 819,000 took place outside marriage.

Under-age pregnancies fell by 5 per cent in 1997 to 8.9 conceptions per thousand girls aged 13-15, compared with 9.4 per thousand in 1996. Overall teenage conception rates fell by 1 per cent over the same period, according to the spring issue of *Population Trends*, the publication of the ONS.

Despite this fall, the figures show that the United Kingdom has the highest number of births per 1,000 women aged 15-19 out of eight European countries studied by the ONS.

In 1997 there were 30 births per 1,000 women aged 15-19 in the UK, compared with 21 per 1,000 in Portugal and 17 per 1,000 in the Republic of Ireland.

The report shows a large increase in the number of women over 35 conceiving in the period since 1991.

In 1997 there were 41.2 conceptions per 1,000 women aged

35-39, and 8.7 conceptions per 1,000 among women aged 40 and over – the only two age groups to register an increase in fertility rates since 1996.

Karen Dunsell, co-editor of the report, said she thought the rise in conceptions was the result of improved educational prospects for women.

She said: "The proportion of women who gain educational qualifications is rising, and their economic activity rates are rising relative to young men's – this is probably one of the main reasons."

The report also found that two-thirds of total conceptions outside marriage resulted in motherhood, compared with more than 90 per cent of conceptions within marriage.

The number of people cohabiting in England and Wales will double by 2021, according to the ONS. About 1.56 million unmarried couples were living together in 1996, a figure expected to rise to nearly 3 million within 25 years.

The ONS estimates the most dramatic increase in numbers of cohabiting couples will take place among the over-35s. It is estimated that by 2006 less than half of all adults will be married.

Divorce rates dropped in 1997, with 146,339 decrees absolute in England and Wales, 6.6 per cent fewer than in 1996.

John Peel wins top radio award

BY PAUL MCCANN
Media Editor

ONE OF Radio 4's most controversial new programmes received an award yesterday when John Peel was named radio broadcaster of the year by the Television and Radio Industries Club.

Peel, 60, who received an OBE for services to broadcasting last year, won the award for his Saturday morning programme *Home Truths*. The programme, a light-hearted look at domestic life, was slated by critics of Radio 4's new schedule as a programme "about nothing" when it launched last year.

"I am jolly pleased to have won," Peel said at the award ceremony in London yesterday.

"Initially the programme was cited as a classic example of Radio 4 'dumbing down'. I think there was a sharp intake

of breath in some quarters at the thought of a Radio 1 DJ coming over to Radio 4."

Another winner was Trevor McDonald who was named newscaster of the year for his work on ITN's now-defunct *News at Ten* programme.

In his acceptance speech McDonald criticised Channel 5 for moving its evening news to 6pm and running an advertising campaign claiming that his new 6.30 ITV bulletin repeated Channel 5's stories.

Johnny Vaughan, presenter of *The Big Breakfast*, was named commercial television broadcaster of the year, while *The Big Breakfast* itself was named Channel 4 programme of the year.

STEVE RICHARDS

The politics of Europe are now almost impossible to control

IN THE WEDNESDAY REVIEW PAGE 3

It doesn't matter what you do or where you come from, all you need to become a magistrate are the right personal qualities. If you care about your local community, are hard working, reliable, can work well with others and have an open mind, you're the kind of person we're looking for. If you think you fit the bill and you live in England or Wales, call 0845 606 1466 to find out how to become a voluntary magistrate.

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sons, parents, to are of their religion that mean to a number of their and yesterday. It has hardly to be than girls and national sympathy. If a father or which never things. It is hard to help if it is decided.

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young men took married with 157

most striking "Leading Lady" extent to which officers to avoid However, boys involved father-ly than "Don't believe a word that tied to cope with their own.

Cultural beliefs about how a man should act and what his do not do were found to be felt most keenly by those boys with the poorest self-image. They are also most likely to have fathers who tell them, "You don't cry."

Boys are inclined to protect their parents by keeping the problems to themselves. They know that their fathers want to be proud of them and believe that to tell them they are not capable would be to let them down.

As our interviewers found, Excerpt 17 from north London put it: "Boys have a secret and life in the house and a side outside. Every father wants to be proud of his son, and the shortcomings of what these boys now should be - and it's doing harm. Some of these things are bad but I'm scared to admit it to themselves."

As the "Leading Lady" interview was conducted only one year it was unable to establish whether there is a cultural link between low self-esteem and child abuse.

Plan to cure fear of maths at school

TEACHERS SHOULD organise desks in a U-shape and stage *Five Little Speckled Frogs* with their five-year-olds, according to new government guidelines on how to teach maths.

More mental arithmetic and fewer calculators form the centrepiece of plans to banish the fear of maths and turn Britain into a more numerate nation.

The 117-page guidance represents the most detailed government advice ever sent to schools on mathematics teaching methods. From September, a new daily numeracy hour will be introduced in primary schools.

Even the arrangement of the furniture is important, the document suggests. It proposes placing desks in a U-shape with the weakest children sitting in the centre of the U.

The guidelines suggest that

BY JUDITH JUDD
Education Editor

Calculators, the document says, should not normally be used for under-eighths, and older children should be taught how best to use these "powerful and efficient tools".

The guidelines advise teachers to spend as much time as possible teaching and questioning the whole class instead of dividing them into groups.

Mr Blunkett told a London conference yesterday: "Too many people in Britain say that with almost a badge of pride that they never did well at maths properly. Yet it is essential in everyday life and to the life of our economy. Dealing with figures should be just as important as the ability to read, yet maths is sometimes the poor re-

BY JUDITH JUDD
Education Editor

and five-year-olds in reception classes might sing *Five Little Speckled Frogs* before coming frogs and fly pads in the sand and water trays.

Yesterday's document says teachers should spend the first five or 10 minutes of the numeracy hour on oral work and mental arithmetic, the next 30 or 40 minutes on a new topic or practising an old one, and the last 10 to 15 minutes summing up to the whole class.

During the mental arithmetic sessions pupils might play a number game in which they are asked to give examples of a number one less than a multiple of five, or a calculation with the answer 12.

Pupils should have the mental arithmetic skills to work at different ways of answering questions such as 81 minus 26 or 5 per cent of £3000.

In relation. We want to promote a 'can-do' attitude towards maths across the community."

Tony Blair announced that next year will be Maths Year 2000, and Carol Vorderman, the mental arithmetic expert from Channel 4's *Countdown* programme has agreed to give the initiative her backing.

Nigel de Gruchy, general secretary of the National Association of Schoolmasters Union of Women Teachers, said that "in principle the maths hour represents sound educational practice" but warned against over prescription.

"Schools already succeeding should not be compelled to turn their maths teaching upside-down to accommodate the bureaucrats at the Department for Education and Employment who, once again, appear to be rampaging out of control."

£1m deal tempts nuns to evict carer



Josephine Cregan, who risks losing her job and home at St Michael's Convent in south London *John Voas*

A "CARING" order of Irish nuns has chosen today - St Patrick's Day - for an act that is apparently lacking in charity to one of their compatriots.

The Poor Servants of the Mother of God are seeking an eviction order at Lambeth County Court, in south London, against arguably one of their most faithful servants.

If they are successful, Josephine Cregan, who has been a care worker for the order for 20 years, will have to leave her tied cottage in Streatham, south London, because the nuns are selling their residential home for people with learning difficulties.

The site is likely to fetch more than £1m, thus turning the Poor Servants of the Mother of God into the "Comfortably Off Servants of the Mother of God, as Frank Minnal, an official with the GMB general workers' union, puts it.

Mis Cregan, 41, was first offered statutory minimum redundancy pay of £4,180 - a figure which was increased by eight weeks' pay - £1,760, after the intervention of the GMB. It

It is understood that it was then raised by £1,000, and yesterday by a further £1,000 after the involvement of *The Independent*. Thus, after two decades of looking after disadvantaged people for the mums, Ms Cregan could lose her job and her home, with £10,000 compensation.

"I was offered another job," said Ms Cregan, "but it was on access money and with no accommodation. I have given my life to the order. I think I've been treated very badly."

Letters to Ms Cregan from the order give her notice to quit and remind her that her contract states that her accommodation lasts only as long as the job.

A spokesman for the order's solicitors said Ms Cregan had been offered another job and temporary accommodation but she had refused. He said she was asking for a "five figure" redundancy payment which no charity could countenance. Every effort would be made to reach a settlement before today's hearing.

married
receive half
all babies

[illegible]

COUNTING ON BRAIN POWER

Mental arithmetic strategies for 11-year-olds:

Use related facts and doubling:
I double $176 = 352$ ($200 + 140 + 12$)

Explain how to find sixths and twelfths, by halving thirds:
one-twelfth of 300 is 25.
one-third of 300 is 100, half is 50, half again is 25)

Continue to multiply a two-digit number by a single-digit number, multiplying the tens first:
 $86 \times 7 = (80 \times 7) + (6 \times 7)$
 $= 560 + 42$
 $= 602$

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n Peel wins radio award

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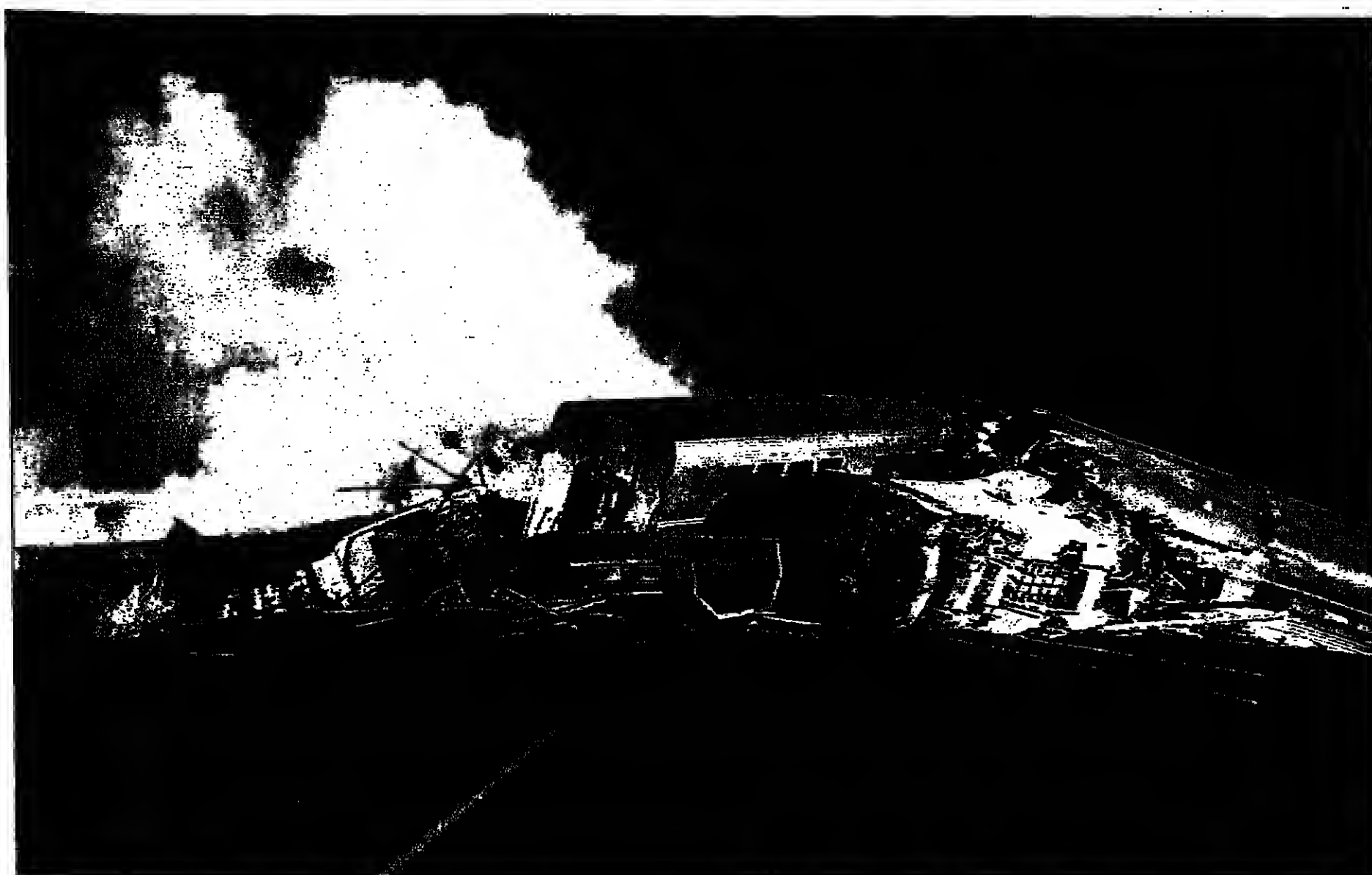
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RICHARDS
The politics of Europe
are now almost
impossible to control
— NEW REVIEW PAGES



Rescue workers searching wreckage from the train after it collided with a truck on a level crossing in Illinois. Ten passengers were unaccounted for. John Zich/EPA.

Thirteen die in US train crash

RESCUE WORKERS were yesterday searching the wreckage of an Amtrak passenger train that collided with a lorry carrying steel, killing at least 13 people. Another 100 were injured, some seriously.

The collision occurred on Monday night at a level crossing in Illinois, 50 miles south of Chicago. Many of those killed and injured were settling into their beds in a sleeper car, near the head of the train that was making the overnight journey from Chicago to New Orleans. The impact sent car-

BY DAVID USBORNE
in New York

riages and engines careening off the tracks. Some carriages were overturned, and one of the engines was split in two.

"All of a sudden, everything just started crashing and catching on fire and people hollering and running. It was awful," said Blanche Jones, one of the passengers. "We were trying to get out. We couldn't find a way out. That was the most devastating thing of all."

Working overnight, emergency crews pulled 13 bodies from the train, called *City of New Orleans*. Officials warned, however, that of the 216 who had been aboard the train, another 10 were still missing. By morning, "empty" had been spray-painted on those carriages free of passengers.

Amtrak is bedevilled by problems at level crossings. There are about 250,000 of them on its tracks across the country, and not all are equipped with barriers. Of the 246 Amtrak accidents reported in 1997,

about half were the result of collisions with motor vehicles.

This crossing did have lights and barriers and officials were trying to determine yesterday whether they were working properly on Monday. The lorry had just left a steel plant nearby. Its cab was still intact and the driver survived the crash.

The train, which had 16 carriages in all, mostly double-decker passenger cars, would normally have been travelling at about 80mph along the stretch of track where the accident occurred. If the driver of

the train saw the lorry, he still would have needed at least 10,000ft to halt the train.

Rescue workers were hampered during the night by thick smoke from fires in one of the carriages and one of the engines. Officials said 101 passengers and crew were taken to nearby hospitals for treatment. Of those, 11 were listed in critical condition yesterday, and 19 in serious condition.

Only last week, Amtrak unveiled a new high-speed train, modelled on the French TGV, which will begin serving its

north-east corridor between Washington and Boston this autumn. The train will travel at speeds of more than 150mph, and Amtrak has been at pains to underline its safety.

Amtrak has struggled for years with low budgets and a patchy safety image. Its worst accident happened in September 1993, when a train en route from New Orleans to Los Angeles plunged into a river in southern Alabama after a barge struck and destroyed a bridge pier. Forty-seven people died in the accident.

'Tiger state' rescue plan loses its way

THE STATE of Madhya Pradesh is India's Great Outdoors: the geographical heart of the country, where you can drive for hours through sparsely populated and relatively unspoiled wilderness.

In the middle of the state is the 1,000sq km Kanha National Park, where Kipling set the *Jungle Book*. And Shere Khan's descendants are still numerous here: the state has more than 900 tigers in the wild, about one-third of the Indian total and perhaps one-fifth of all the remaining wild tigers in the world.

But according to a report released yesterday in Delhi by the Environmental Investigation Agency (EIA), a London-based non-governmental organisation, that heritage is being frittered away at a terrifying rate.

The enemies are the tiger's usual adversaries: poachers supplying the oriental medicine trade in the Far East; industrialists building plants to strip out what remain of the state's natural resources; corrupt officials, winking at large-scale illegal logging.

This is the sad tale not only across India but also in the other "range states" where tigers survive in the wild, including Sumatra, Thailand and Russian Siberia. But the EIA chose to highlight Madhya Pradesh because in 1984 the state government, prompted by a vigorous minister of the environment with a constituency here, decided to name it "the Tiger State". The animal would be a symbol of efforts to conserve the natural resources.

At the outset much was promised. A "tiger state committee" was set up to improve the performance of the wildlife wardens. A "tiger cell" headed by a highly motivated inspector of police, Mr Rajgopal, cracked down on poachers and traders. Mr Rajgopal believed one tiger per week was being killed in the state, and one leopard per day.

BY PETER POPHAM
in New Delhi

Five years on, however, the EIA judgement is that "what started as a positive and enthusiastic initiative has been exposed as nothing more than a public-relations exercise". The state government, according to the report's authors, is "bent on exploiting its remaining natural resources to the detriment of the tiger, the forests, and the people who depend on them".

The bold initiatives have run into the sand. Inspector Rajgopal, too effective for his own good, has been transferred. The only recommendation of the tiger committee to have been implemented was putting a fax machine into the wildlife wardens' office. The fund-raising Tiger State Foundation Society has amassed a grand total of 35,000 rupees - about £500. The report says: "It is not known what this money has been used for."

Meanwhile, the abuses flourish. A diamond mine operated by the national government near the border of Panna Tiger Reserve pumps solid waste and slurry from the mine into streams. A natural corridor between two reserves, vital for the tigers' genetic resilience, has been put at risk by a huge timber fraud: 300,000 apparently healthy sal trees have been felled after it was claimed that a beetle epidemic was raging. Tigers continue to be poached, supplying a trade which, the report says, "is more organised than ever before".

Amidst the gloom, Dave Currie, founding director of the EIA, identified one chink of light: there has been a change of attitude at the level of the Indian central government. "There is now utter acceptance at central government level of the seriousness of the crisis. That is a very major change, and the first step towards addressing it," he said.



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Zimbabwe loses battalion as Congo war spreads

ZIMBABWE is reported to have lost a battalion of between 80 and 150 men in the war in Congo, where foreign-backed rebels are fighting to overthrow the regime of President Laurent Kabila.

BY ALEX DUVAL SMITH
in Johannesburg

Zimbabwe has lost so many troops in weekend fighting near the southern town of Kabinda, will come as a serious blow to President Robert Mugabe. At home, his support for President Kabila is seen as costly and self-serving.

The fight over who will control the Democratic Republic of Congo - a country the size of Western Europe - pits President Kabila and his allies in Zimbabwe, Angola, Namibia and Chad against Tutsi rebels supported by Uganda, Rwanda and Burundi.

Hutu guerrillas from Rwanda and Burundi and Mai-Mai warriors drawn from a mixture of Bantu tribes are also fighting the Tutsi rebels. President Kabila, sensing that he is losing international sympathy, was reported to have hired the "lobbyist of the damned" in Washington, Edward von Klobberg, whose task will be to swing United States opinion away from the Ugandan president, Yoweri Museveni, who was hired by President Kabila for a reported annual fee of \$500,000 (£312,000).

Mr Von Klobberg's previous clients have included the late Romanian dictator, Nicolae Ceausescu and the Iraqi leader, Saddam Hussein. He also advised Zaire's former dictator Mobutu Sese Seko, whom Mr Kabila overthrew in 1997.

In a statement, Mr Von Klobberg said: "Mr Kabila, like his predecessor, Mr Mobutu, is now struggling to keep together a country the size of Western Europe with more than 400 ethnic groups and dialects and nearly 50 million people."

President Kabila's allies claim they are preventing the "Balkanisation" of central and southern Africa. Critics say they are only defending their own business interests.

Meanwhile, the conflict appeared to have spilled over into a ninth country yesterday as it was reported that up to 7,000 refugees from Congo had arrived in Zambia. The country has a 600-mile border with Congo. The United Nations High Commissioner for Refugees (UNHCR) said some 7,000 people had crossed the border since the beginning of March. Yesterday it said 900 had arrived in the space of one hour.

Serbs stall at talks and call West's bluff

AH, THOSE teeth. And that smile. Even the grey suit glimmered in the evening light. A bit like Liberace, but Milan Milutinovic's smile, glimpsed between the forests of television cameras and hearing pressmen, went on just a little bit too long; like his speech, repeated over and over as he marched towards his official car in the rue Kleber. "We are ready to sign a political agreement, but..."

BY ROBERT FISK
in Paris

On Monday, the first day of the reconvened Paris talks on the future of Kosovo, the ethnic Albanians had agreed to an international peace plan granting them autonomy but not independence, and the introduction of Nato troops on the ground to ensure observance by all sides.

They didn't want Kosovo to have its own president. But if only the Kosovars would accept those 20 pages of amendments, the Serbs would go along with the revised (and thus worthless) "political agreement".

What we don't know, however, is what the real generals are thinking. Take Dragoljub Ojdanic, for example, the Yugoslav chief of staff. Or Rade Markovic, the head of Serbia's secret police. They are not part of the Serb delegation in Paris; they remain behind in Belgrade as part of Mr Milosevic's decreasing inner circle. Are they advising their master that Nato is still bluffing? Or are they recommending a little bombing from Nato to stiffen the Serbian backbone - and perhaps provide a get-out clause for Milosevic to hand over Kosovo? Or are they - and here's the rub - assuring their leader that the Yugoslav air force might be able, in the event of a Nato offensive, to do a little Argentine-style damage to Nato's Adriatic fleet?

In the rue Kleber, they were even saying that the whole pandemonium might close down as soon as tonight, leaving a few days for General Cook and Captain Vedrine to make some more of their famous threats and persuade an American - Supreme Allied Commander Albright, perhaps - to make "one last journey for peace" to Belgrade. As we all know, the Americans are ready to shout "chicks away". And the British too, up to a point. But the Germans and the Italians and the French, and just about everybody else, is beginning to wonder what happens after the bombs start to fall.

No wonder Mr Milutinovic had such a broad smile. turning to Paris to set yet more deadlines and propose more possible air strikes.

General Cook's ADC, Captain Hubert Vedrine, the French Foreign Minister, was already accusing the Serbs of backtracking. "The very last moment has not yet come," he told the National Assembly yesterday in words that might have been scripted by his British superior officer. "The last word has not really been uttered. But the moment of truth is not far." The Kosovars preferred to remain silent. Wisely so. They had, after all, announced their preparedness to sign the political agreement.

"They will sign the Bible and the Koran if you ask them now," a Serb journalist confided at the police barrier in the rue Kleber. "Milosevic's guys have handed out a 20-page document of 'complaints' that tears up the original agreement." And so they had. The Serbs didn't like the judicial system proposed for Kosovo and supposedly agreed by all at last month's Rambouillet talks.



British members of Nato's extraction force in Macedonia patrol at Skopje yesterday as they wait for a peace mission to Kosovo. Reuters

Kosovo dissidents reject deal

THE KOSOVO Albanians' agreement to the Western peace plan for the province was thrown into doubt yesterday after a splinter group of the Kosovo Liberation Army (KLA) denounced the deal.

BY EMMA DALY
in Ljubovac

"Remi". Last month he told William Walker, chief of the international monitoring mission in Kosovo, that he would never disarm his forces, even though the peace deal required it.

Yugoslav troops continued their military offensive in Kosovo yesterday, concentrating on the triangle of land between Vucitrin, Srbica and Mitrovica, and forcing KLA rebels to withdraw from the area. After they captured the village of Vrbica, huge plumes of smoke were visible as buildings were set ablaze. Tank shells crashed into the villages of Ljubovac, Osijian and Galica.

The army has embarked on a drive westwards, aimed at subduing the KLA heartlands on the border with Albania. The action threatens dozens of Albanian villages in the east of Kosovo and yesterday hundreds of civilians began the trek west out to Srbica and Glogovac, where they hope to find refuge.

Their fears were heightened by reports that a column of Serbian armoured vehicles, including seven T-72 tanks, had already moved into Srbica, known in Albanian as "Skenderaj".

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Seventh IOC man may be sacked

BY PAUL LASHMAR

THE OLYMPIC movement's second most powerful figure may face expulsion when the International Olympic Committee begins its emergency meeting in Switzerland today.

The IOC's investigating team has been examining new evidence against Un Yong Kim, a South Korean. He would be the seventh member upon whose sacking the full committee will decide.

The inquiry commission, headed by the vice-president, Dick Pound, of Canada, met yesterday after receiving "some letters and documents". Until the Salt Lake City bribery scandal broke last December, Mr Kim, 67, was expected to take over in 2001 from the president, Juan Samaranch.

In Mr Pound's second report, published last week, there were three allegations against Mr Kim. According to the report, he had elicited favours for two of his children and a Russian teenager from the Salt Lake City committee which was bidding for the 2002 Winter Olympic Games. The commission recommended that Mr Kim received "the most serious of warnings".

Six other members were recommended for expulsion: Agustín Arroyo of Ecuador; Jean-Claude Ganga of Congo; Zein El Abdin Abdel Gadir of Sudan; Lamine Kelta of Mali; Sergio Santander of Chile and Samoa's Paul Wallwork.

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Rain, rain, rain all winter – and it could last 20 years

IN THE Pacific North-west, they are used to rain. It is what makes the forests lush and green. It is what keeps more Californians from upping sticks and moving there. Rain is what they know. Rain is what they can handle.

So when it rained uninterrupted for almost the whole of February, the citizens of Oregon and Washington kept a brave face. When the weather forecasters pointed out that the rain has been relentless since early November, and threatens to stay that way until May, there were murmurs of dismay, certainly, but nothing to upset the prevailing stoicism.

Then, a few days ago, came the proverbial raindrop too far. A particularly ugly storm accompanied by high winds played havoc with the electricity supply, toppled trees and – horror of horrors – knocked out the coffee service on a commuter ferry plying the thin strip of Puget Sound from Bainbridge Island to Seattle. Well, that was just too much.

"Of course people com-

AMERICAN TIMES PACIFIC NORTH-WEST

plained," said Susan Harris-Huether, spokeswoman for Washington state's ferry services. "If they don't get their latte..."

And now North-westerners are venting their anguish in the only ways they know how – blaming the forces of evil in the world (California, mainly) and cracking jokes.

Like the one about the woman who visits Seattle and realises that it has not stopped raining for a week. So she stops a kid on the street and asks: "Hey, does it ever stop raining around here?" To which he answers: "I wouldn't know. I'm only six."

The truth is, the region has gone through the wettest winter since records began.

Barely one day in five has been dry over the past three months. There have been mudslides and floods on the roads. Up in the Cascade mountains, they had to close

down resorts while they spent two days digging chairlifts out of the snow.

Most spectacularly, an oil tanker crashed ashore in southern Oregon a month ago, spilling around 70,000 gallons of oil, killing birds and threatening shellfish stocks.

Because of the relentless storms, salvage crews have found it almost impossible to stop the ship, the *New Carissa*, from drifting and causing more damage. Ten days ago, a huge tugboat tried to tow the wreckage and its remaining cargo of 130,000 gallons of oil offshore for a deep-sea burial. But one of the towing bridges snapped and the ship's carcass was washed back to shore.

According to meteorologists, this winter could be the harbinger of a general change for the worse. The North-west is subject to weather movements called Pacific decadal oscillations, and a 20-year pe-

riod of relative dryness may be giving way to a wet period that is likely to last for just as long. On top of that is La Nina, the Pacific current pattern that pushed last year's Californian storms several hundred miles north.

Republicans have sought to lay the poor climate at the door of the Democratic state administration, saying a lot of "liberal hot air" has played havoc with the environment. And former governor Mike Lowry, for one, seems willing to accept the blame.

"Environmentalists like me want more wetlands," he said. "And I'm getting them right outside in the parking lot."

Some, of course, see divine intervention in all those rainclouds. Retribution, perhaps, for excessive exploitation of the beautiful landscape. Or, as the former Seattle deputy mayor Bob Royer sees it, God's scheme to put those uppity Californians in their place. "This is the only way to get all those newcomers to move back south," he said.

ANDREW GUMBEL



Driving through flooded roads has become a way of life in parts of rain-drenched Oregon

AP

IS PICKING A WINNING PEP POT LUCK?

New research can help you reduce the odds.

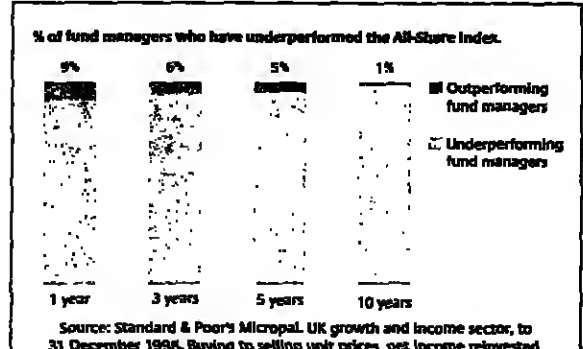
Trawling through the financial pages for your last PEP is a bit like entering a crowded bazaar with store holders shouting at you from all angles. Who do you buy from? The one who shouts the loudest or the one that 'promises' you the best deal?

Ideally, before making such a decision you'll want the added confidence and reassurance that can only come from a truly impartial and credible source. That's why we asked The WM Company, one of the world's leading investment performance consultants, to shine an independent light on the key issues.

If you can spare five minutes to read their findings, we promise it will make the task of choosing your last PEP considerably easier. We start with a remarkable fact that has led to one of the biggest debates ever in the investment industry, and which triggered the research...

THE INDUSTRY'S BEST KEPT SECRET

Before we entered the PEP market, we looked at the hundreds of PEPs on offer and discovered that less than one in ten actively managed funds outperformed the FT-SE Actuaries' All-Share Index of the top 828 UK companies – the industry benchmark for performance.



'Tracker' funds, which simply track their chosen index by investing in all the companies that make it up, are not new. But before Virgin's high profile launch four years ago, trackers accounted for only a tiny part of the UK investment market. Why, you might ask?

A TRULY OBJECTIVE VIEW

It's this issue that we asked WM to consider. After all, the first decision you need to make when choosing your PEP is whether to go for a tracker fund or to try to find an active fund manager who can beat it.

WM studied the performance of funds in the UK Growth & Income sector over 20 years to the end of 1998. These funds can be directly compared with the FT-SE All-Share Index.



They found that in any five year period, active funds had around a one in four chance of outperforming a tracker. Over longer periods, they fared even worse.

These figures take into account annual management charges but not the initial charges levied by active funds. Allowing for all charges reduces the odds still further and it's easy to see why.

The average actively managed PEP has total charges over a five year period of 11.5% (source: Best PEP). Compare this with a typical tracker fund with no initial charge and a 1% annual management charge (just 5% over five years) and it becomes clear what a tough job an active manager has on his hands. He needs to outperform the market by 6.5% just to keep pace with a tracker!

BUT ARE ACTIVE FUNDS A GAMBLE WORTH TAKING?

It would seem not. WM found, not surprisingly, that to give them a chance of outperforming trackers, active funds took on more risk. This resulted in wild fluctuations in performance which were not generally associated with higher returns. In WM's own words "active investors were not being rewarded for the extra risk."

THERE'S WORSE NEWS TO COME

Even so, many PEP investors are still willing to try and upset the odds by finding that elusive outperforming fund manager. And the generally accepted way of choosing is to look at a fund's past performance.

However, this is the area where WM's findings are most disturbing. They concluded that, as a whole, the top performing actively managed funds over a five year period had no more than a random chance of being the top performing funds over the following five year period.

What's more, the evidence suggested that the very poor performers actually had a better chance of being the stars of the future than the former stars themselves!

So what hope then is there for finding that elusive manager?

NARROW THE FIELD

If your instinct is still to gamble, that's fine provided you're happy with the odds. If, however, you feel the risks of active management are just not worth it and trackers offer more for less, read on...

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Forbes unveils presidency bid on the Net

THE MILLIONAIRE publisher Steve Forbes launched his second campaign for the US presidency yesterday – on the Internet – and promised to wage a "new, information age campaign".

By MARY DEJEVSKY
in Washington

The <Forbes2000.com> website sprang into life shortly before 10am, after teasing visitors with a "stand-by" notice for the previous 12 hours. In a recorded message, Mr Forbes said: "Today I'm happy to announce the beginning of my campaign" and described it as "a national crusade to restore Ronald Reagan's vision of hope and prosperity for all Americans".

Practically all the presidential candidates (and many congressional candidates) have their own websites, but Mr Forbes is the first to use it for his declaration.

Boasting news of his campaign "first, fast and unfettered", the website said that Mr Forbes was offering "a dramatic reform agenda to defend America's economy, security and values" and prepare every child to "compete and succeed in the information age economy".

Mr Forbes is the fourth Republican to announce formally a presidential bid, but another six have already made it clear that they are in the running, in-

cluding the two favourites, George W Bush and Elizabeth Dole. While these two have outlined priorities and programmes that tend towards the Republican centre, Mr Forbes, 51, has moved, if anything, further to the right since his last campaign – coupling his former tax-cutting zeal with a firmer moral pitch.

Mr Forbes, who spent \$32m (£20m) on his last campaign, is a proponent of the idea of a "flat tax", which would set a single, low, income and sales tax rate and abolish most concessions and allowances.

In theory, this is designed to make the tax burden fairer, but its opponents argue variously that it would penalise the poor, require too high a basic tax rate to be attractive, and minimise the redistributive function of taxation.

A firmer moral dimension to his campaign could also dilute Mr Forbes' appeal, driving some supporters away and failing to attract new ones.

Even if taking the high moral ground gives a Republican candidate an advantage, candidates like the Christian conservative, Gary Bauer, already hold that constituency and are unlikely to cede it.

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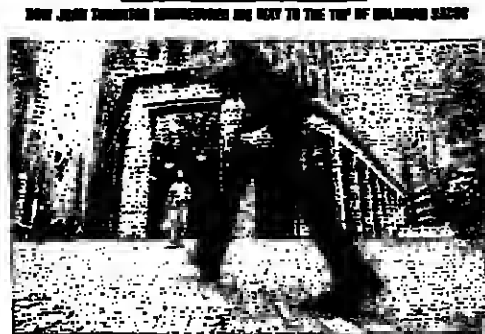
Business & City Editor, Jeremy Warner
News desk: 0171-293 2636 Fax: 0171-293 2098

BUSINESS

BRIEFING

BUSINESS REVIEW

FANCY FOOTWORK



Inside British American Tobacco, the company which gave up its bad habits and came out smoking, page 5

The phone bill revolution, page 4

Revisited: the liquidator's liquidator, page 8

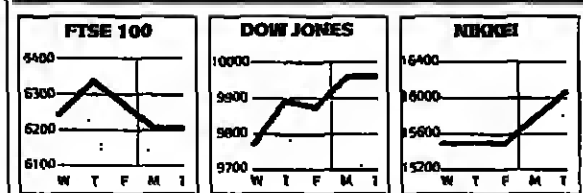
Photo: Hannah McLean, Diana Cayle, Derek Pate, Jo Davis and The Trade

The 12-page Business Review, free every Wednesday

GM crop ban 'disastrous' for EU
NOVARTIS, the Swiss life sciences group, warned yesterday that a ban on genetically modified crops could destroy European farming. Wolfgang Samo, head of agribusiness, said the moratorium backed by environmental groups and the UK Conservative Party would have a "disastrous" effect. Novartis's 1998 net income was \$16.1bn (£2.6bn).

Tarmac nears £1.5bn demerger
TARMAC moved closer to a £1.5bn demerger of its building materials and construction divisions with plans to inject most of its £317m debt into the materials subsidiary. Chief executive Sir Neville Simms is to become chairman and chief executive of the construction company; the building materials group will be led by Roy Harrison.

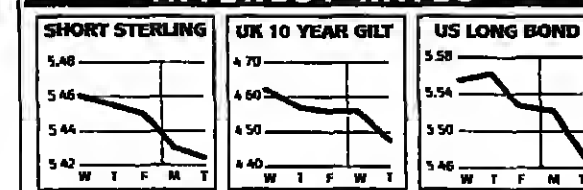
STOCK MARKETS



INDICES

Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	6201.90	-4.90	-0.08	6365.40	4599.20	2.63
FTSE 250	5519.70	0.80	0.02	5970.90	4247.60	3.06
FTSE 350	2997.50	-1.90	-0.06	3024.90	2210.40	2.69
FTSE All Share	2462.41	-1.21	-0.04	2523.83	2143.53	2.73
FTSE SmallCap	2375.80	9.20	0.39	2393.80	1834.90	3.42
FTSE Floating	1290.20	3.90	0.30	1517.10	1046.20	4.24
FTSE AIM	858.30	-1.70	-0.20	1146.90	761.30	1.08
FTSE Europe 100	2907.97	11.51	0.40	3073.27	2018.15	2.06
FTSE Europe 300	1255.25	3.24	0.26	1332.07	880.63	1.95
Dow Jones	9966.82	9.44	0.10	9970.15	7400.30	1.59
Nikkei	16072.87	293.22	1.86	17111.59	12787.90	0.89
Hong Kong	10911.25	74.39	0.69	11296.16	8244.79	3.27
Dax	5094.63	65.39	1.30	6177.83	3833.71	1.70
S&P 500	1309.00	1.86	0.14	1307.54	973.32	1.33
Nasdaq	2448.35	17.86	0.74	2533.44	1357.09	0.28
Toronto 300	6623.60	14.20	0.22	7837.70	5320.90	1.60
Brazil Bovespa	10621.67	243.42	2.34	12338.14	4975.69	5.84
Belgium Be-20	3948.24	4.44	0.11	3711.21	2696.26	2.10
Amsterdam AEX	540.64	5.29	1.00	600.65	366.58	1.90
France CAC 40	4186.33	1.23	0.03	4404.94	2881.21	1.86
Spain IBEX 35	3680.00	-263.00	-7.17	3917.00	2417.00	1.11
Madrid IBSX	10213.90	92.90	0.92	10989.80	6869.90	1.71
Italy Overat	5293.83	-38.15	-0.72	5581.70	3732.97	1.54
3 Month Euro	5.61	0.01	0.18	5.71	5.51	5.51
Australia ASX	2997.20	2.70	0.09	2999.60	2368.70	3.09

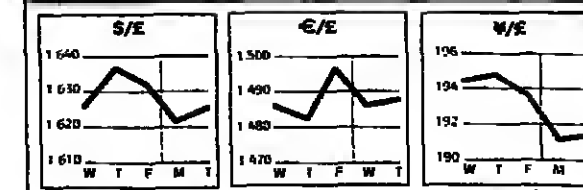
INTEREST RATES



MONEY MARKET RATES

Index	3 month	6 month	1 year	10 year	30 year	Long bond	Yr. chg.
UK	5.42	-2.13	5.38	-2.15	4.48	-1.42	-1.34
US	5.00	-0.68	5.28	-0.50	5.10	0.44	5.47
Japan	0.19	-0.52	0.23	-0.44	1.88	0.12	7.98
Germany	3.04	-0.47	3.03	-0.70	3.98	-0.90	4.96

CURRENCIES



POUND

Index	at Spot	Change	Yr. Age
Dollar	1.6347	+0.23c	1.6680
Euro	1.4829	+0.40c	1.4075
Yen	191.28	+0.25	216.40
E index	162.30	0.00	106.80

DOLLAR

Index	at Spot	Change	Yr. Age
Sterling	0.6155	-0.09c	0.5995
Euro	0.9157	-17.7c	0.8571
Yen	117.68	-0.08	129.52
S index	107.90	0.00	109.00

OTHER INDICATORS

Index	at Spot	Change	Yr. Age
Brent Oil (\$)	12.10	0.09	11.61
Gold (\$)	283.95	-3.25	294.35
Silver (\$)	5.06	-0.15	6.12

TOURIST RATES

Index	at Spot	Change	Yr. Age
Australia (\$)	2.4903		
Austria (schillings)	19.87		
Belgium (francs)	58.44		
Canada (\$)	2.4032		
Cyprus (pounds)	0.8347		
Denmark (kroner)	10.81		
Finland (markka)	6.6382		
France (francs)	9.4987		
Germany (marks)	2.8425		
Greece (drachmas)	466.38		
Hong Kong (\$)	12.15		
Ireland (pounds)	1.1377		
India (rupees)	61.67		
Israel (shekels)	6.0132		
Italy (lira)	2814		
Japan (yen)	186.56		
Malaysia (ringgits)	5.8362		
Malta (lira)	0.6178		



Traders on the floor of the New York Stock Exchange celebrating as the Dow passes the 10,000 level for the first time. Mike Segar/Reuters

Dow breaks 10,000 barrier

THE DOW 10,000 arrived yesterday, writes David Osborne in New York. History was made and the feel-good American economy that has been powering stocks higher for the past four and a half years suddenly felt even better. Then, in the blink of an eye - or the pop of a champagne cork - it was gone again. The five-digit Dow was four digits again. The breaking of the mythical barrier happened at 9.50am, just 20 minutes into the day's trading. All heads on the New York Stock Exchange floor turned to the flashing numbers and there it was: Industrial Average up 41.85 points at 10,001.12. There were cheers and applause until, just as quickly, the numbers began to sink back to the ninety-nine hundreds. The index, a composite of the share prices of 30 US blue-chip companies, has surged no less than 6,000 points since 1996.

Goldman staff to receive \$360,000 payouts

BY DAVID OSBORNE
in New York
AND ANDREW GARFIELD
in London

GOLDMAN SACHS' 13,000 staff are to be given shares worth on average \$360,000, when the firm goes public in May with a price tag of up to \$23.4bn, according to figures released by the Wall Street investment bank yesterday. The value of the shares being given to the firm's 221 partners in exchange for their existing holdings works out at \$52m on average, although the figure hides a wide disparity in holdings, with those of some individuals likely to be in the hundreds of millions.

The figures are included in the official filing with the US Securities and Exchange Commission, which vets all public offerings. One of the biggest surprises is the level of basic salary of the top five partners of the firm, which was revealed for the first time yesterday as a mere \$600,000, although the figure does not include their substantial bonus payments.

The stock sale should be worth up to \$3.45bn (£2.1bn) and account for as much as 14.7 per cent of the company. That will make it the second-largest initial public offering (IPO) in New York this decade, second to the \$4.4bn public offering in Conoco last October.

The sale will mark the 130-year-old firm's second attempt at going public. Plans for an earlier share sale were abruptly shelved in September following turmoil in the financial markets and a sharp slump in profits.

In the SEC filing, Goldman said it planned to sell as many as 60 million shares at \$40 to \$50 each. That would value the bank at \$2.4bn, about the same as JP Morgan. About 42 million shares will be sold by Goldman itself.

Business Review, page 3

Airbus to take £400m charge for 'black hole'

BY MICHAEL HARRISON
Business Editor

AIRBUS INDUSTRIE, the European aircraft manufacturer, is being forced to set aside around £400m to cover a "black hole" in its accounts relating to past losses on jet orders.

The disclosure came as it emerged that the four Airbus partners, including British Aerospace, have formally applied to their governments for up to £2bn in launch aid for the proposed 600-seat super-jumbo, the A3XX.

Bae, which has a 20 per cent share of Airbus, is thought to have applied for around £400m in repayable launch funding. The other partners are Aerospatiale of France, Daimler-Benz Aerospace of Germany and Casa of Spain.

Noel Forgeard, chief executive of Airbus, said he was con-

stant the A3XX programme could be launched by mid-2000. However, he indicated that the transformation of Airbus into a single corporate entity was now unlikely to be completed before autumn next year, 18 months behind schedule.

The £400m provision is to cover losses on orders booked in the three years from 1995 to 1997 when Airbus and Boeing of the US fought a savage price war.

Previously Airbus has supported aircraft sales with a package of support measures including guarantees, spares and pilot training, but has not taken them as an upfront cost. From now on it will shoulder a much bigger share of these

costs, and financing charges, at the time a sale is made.

Mr Forgeard refused to disclose figures. But it is thought the partners have agreed to take £200m of the provision in the 1998 accounts, leaving the consortium nursing a loss of £120m.

It has also taken a £30m to £40m provision against a cancelled order from the Philippines. This means that, leaving aside provisions, Airbus as a consortium made a profit of about £40m last year. However, industry estimates of the underlying profitability of Airbus, stripping out exceptional charges and exchange-rate losses, range from £400m to £450m.

The tightening of Airbus's accounting is in readiness for its change into a conventional public company, with shareholders

and a proper balance sheet. However, progress on this and the exchange of valuations of partners' Airbus assets will not occur until Aerospatiale is privatised this summer. It will then take a further year to complete the change.

The A3XX, a double-decker aircraft capable seating 550 to 600 passengers, will cost \$10bn to develop and will sell for between \$213m and \$246m, Mr Forgeard said. Spending on the programme by the partners increases by 50 per cent this year with 1,000 staff now working on development in Britain, France, Germany and Spain.

The aim is to start marketing the A3XX to airlines at the end of this year, launch the programme in mid-2000 and bring it into service in 2005. Airbus be-

lieves there is demand for up to 1,400 such aircraft over the next 20 years.

Despite reports to the contrary, it is understood that British Airways remains a strong supporter of the A3XX and does not want to see any slip-slide in the timetable.

About one-third of the programme will be with risk and revenue-sharing partners outside the Airbus consortium. One-third would come from the partners and the final third from government launch aid.

Risk-sharing partners Airbus is talking to include Pöcker, Saab, Finmeccanica, Mitsubishi of Japan and Aerostructures Corporation of the US.

Mr Forgeard said he did not expect Boeing to launch a rival jet in advance of Airbus.

Shunned Unigate in hostile Terranova bid

BY NIGEL COPE
Associate City Editor

UNIGATE yesterday launched the first hostile bid in the food sector for more than six years by tabling a £228.5m offer for Terranova Foods, the chilled foods company demerged from Hillsdown Holdings in October.

The cash offer, at 135p per share, was immediately rejected by Terranova management. It said the bid was "inadequate, opportunistic and fails to reflect the current value or future prospects".

Terranova shares soared by 31p to 135.5p, indicating prospects for a higher bid. Analysts said Unigate would have to raise its offer price to around 140p to 150p to secure victory. It is thought some of Terranova's institutions will be looking for a reasonable premium to the 140p price at which Hillsdown last autumn.

The bid will be seen as a test of nerve for Sir Ross Buckland, chief executive of Unigate. He walked away from a £1.6bn bid for the whole of Hillsdown last year, having principally been interested in the chilled food operation. Over the weekend an attempt to gain an agreed deal failed when a 125p Unigate approach was rejected.

Yesterday Sir Ross said he had only been interested in the chilled food business last year. Hillsdown's reluctance to sell separately forced him to make an offer for the whole company. Unigate, whose interests span dairy, chilled foods and distribution operations, said the deal had "compelling logic". It highlighted scope for cost savings and synergies, with Unigate adding its buying and distribu-

tion to Terranova's brands. It said Terranova's Buxted chicken would fit with its own Malton pig division. Unigate's Shape brand could be extended across Terranova's ready meal and sandwich ranges.

Analysts say there is scope for cost savings of at least £2.5m a year and that the deal could be earnings enhancing at up to 200p. Unigate is under pressure to use its £130m cash pile. This is the first hostile bid in food since Tomkins won control of Baxters Foods in 1992. Other bidders could enter the ring for Terranova, with Tomkins a candidate.

Sir Ross said: "Terranova has insufficient scale to take advantage of the opportunities open to it. This deal offers certainty to shareholders."

Unigate shares closed unchanged at 410.5p.

City hails public finance figures

BY DIANE COYLE
Economics Editor

THE GOVERNMENT'S finances were in such good shape last month, according to official figures yesterday, that analysts concluded the surplus in 1998-99 would be higher than Gordon Brown predicted in his Budget last week.

The Public Sector Net Cash Requirement (PSNCR) showed a surplus of £1.5bn in February, taking the cumulative surplus for the first 11 months of the financial year to £15.1bn. The Budget estimated the full-year surplus would be £5.2bn.

Although March has traditionally seen a big deficit because of an end-of-year spending surge, this pattern has been less pronounced in recent years. Many analysts are therefore predicting a bigger surplus of £3-10bn.

However, the Treasury downplayed these hopes yes-

terday, suggesting the pattern of public spending could be reverting to the traditional profile.

Even so, yesterday's figures clearly show the public sector's healthy financial position. Net borrowing was in surplus by £1.1bn in February, taking the cumulative total to £2.7bn compared with £3.3bn at the same stage last financial year.

Income tax receipts were buoyant in February thanks to self-assessment. But Customs & Excise receipts have fallen since the new year.

Government expenditure is accelerating as the year-end approaches. From April to February, running £6bn higher than the first 11 months of 1997/98.

AROUND THE WORLD'S MARKETS

LONDON

BLUE CHIPS lost ground for the third day in succession. Footsie eased 4.9 points to 6,201.9 after an one time sporting a 62.8 point gain. But supporting shares were more resilient with the mid cap index edging 0.8 higher to 5,519.7 and the small cap rising 9.2 to 2,375.8.

Although the market endured a generally featureless session, trading was again busy with share turnover topping 1.1 billion.

Colt Telecom, which led Monday's retreat, headed the blue chips' risers, rallying 56.5p to 995.5p.

SAO PAULO

BRAZILIAN STOCKS climbed 2.5 per cent to reach their highest level since before the currency crisis last year.

Sao Paulo's Bovespa index broke through the 10,000 barrier for the first time since August. After an 8.5 per cent rise on Monday, the index has risen over 11 per cent in two days.

The surge in share prices is powered by increasing optimism that Brazil's economy has begun its recovery from the currency crisis which began seven months ago.

TOKYO

STOCKS surged through the 16,000 barrier for the first time since August last year on the back of foreign buying and upbeat comments from the Bank of Japan. The Nikkei 225 closed up 1.88 per cent, or 293.22 points, at 16,072.82.

Traders said foreign buyers were increasingly piling into the market as the yen rose against the dollar. Institutions were afraid of missing the effect of the rise, which boosts the value of dollar-denominated portfolios. "The bear market that began in December 1989 ended in March 1999," said one analyst.

PARIS

THE BLUE-CHIP CAC-40 index ended marginally up 0.03 per cent at 4,186.35 as Wall Street tracked back. "Everyone was waiting for the Dow to hit 10,000 and when it did we saw a wave of sell orders," said one market-maker.

Renault slumped 5.45 per cent amid selling by US clients worried about the risks of an alliance with Nissan. France Telecom closed down 1.77 per cent ahead of results today, dragging the CAC down 9 points. But a 3.35 per cent rise at the insurance giant Axa countered France Telecom's slide.

FRANKFURT

THE STOCK MARKET continued its rally in the wake of Oskar Lafontaine's resignation, closing up nearly 1 per cent. The Xetra DAX index rose 47.70 points to end at 5,090.93.

Lufthansa, the national airline, jumped 4.5 per cent on news that it is to bid for a stake in Thai Airways, while Preussag jumped 4.5 per cent as it received the green light to sell 50 per cent of its shipbuilding unit to Deutsche Babcock. Merger activity between the French banks rippled across the border, lifting Deutsche Bank by 3.4 per cent.

مكتبة من الأدب

Not a penny more for flying circus

AIRBUS INDUSTRIE does not publish its own accounts - one of the joys of being part of that strange French hybrid known as a *Groupeement d'Interets Economiques*, or GIE. Even when financial information about the business does seep out into the public domain, it is only after liberal use of that old accounting double act, smoke and mirrors.



OUTLOOK

Whether Airbus really makes money or loses it is, like beauty, in the eye of the beholder. Or, to be more accurate, in the eyes of its industrial partners. Thus Airbus made a bottom-line loss of £120m last year according to British Aerospace, but an underlying profit of up to £450m if you believe Aérospatiale of France. For what it is worth, the figure they use down at Airbus headquarters in Toulouse is a £90m operating profit.

For 1998 ever to see the light of day, they would show a £200m provision to cover exposure to unprofitable aircraft sales over the previous three years when the vicious price war with Boeing was at its height. There will be more of the same provisions this year and next, so that eventually Airbus will have taken some £400m in charges.

Noel Forgeard, who took over as chief executive of this peculiar beast a year ago, has sensibly decided that much of the profit has been booked for the past three years as fictional as the finest work of Victor Hugo, and has begun to bring private sector conventions to bear.

Full transparency is the name of the game. For the first time since its creation three decades ago the taxpayers of the four member countries, who have already pumped some £2bn into Airbus, will be able to see what their money is buying.

Dow milestone

THE DOW through 10,000 is such a milestone that it seems worth returning to Wall Street's soaring bull market, even though this column attempted to pass judgement on it only last week.

In recent months many have taken to depicting Wall Street as one of the biggest financial bubbles of all time. Plainly the Americans don't believe it. Readers will know that we haven't been exactly immune to the bubble theory ourselves, but we somewhat belatedly changed our minds when we saw action from the Federal Reserve to quell the turmoil in financial markets last autumn, and the subsequent strength of the recovery in equity markets.

There are still good reasons for caution, and the bears must be right in insisting that eventually there will be a correction. Increasingly, however, they become like Tony Dye at Phillips & Drew, the scale of the correction now needed to vindicate their underweight positions in US equities has become so horrendous that it would take an economic calamity of monumental proportions to bring it about.

At this juncture that hardly looks likely, despite the growing size of the US trade deficit and the risk that foreign investors will not be prepared to finance it for very much longer. It probably doesn't make sense to pile into US equities at these levels, but until the world changes, nor does it to predict calamity. Foreigners are prepared to keep pouring capital into the US not just because of the lack of alternatives, but also because American business for the time being seems to offer the best chance of innovation, advancement and growth.

The US economy cannot keep growing indefinitely at the present heady pace without a resurgence in price pressures. In a recent speech, Alan Greenspan, chairman of the Federal Reserve, wondered out loud whether the Fed had not overreacted in cutting interest rates as far as it did in response to the financial turmoil of the autumn.

Terranova Foods

YOU HAVE to go back to Tomkins's bid for Ranks Hovis McDougall in 1992 for the last hostile bid in Britain's none-too-exciting food sector. We've got another one now, but sadly Unigate against Terranova Foods hardly has the look of a ding-dong battle. First, it is relatively small at less than £30m. Second, it is unlikely to go the full distance.

What all this proves is that Unigate is as keen as mustard to buy this business. It wants Terranova's European interests to add to its own, while Terranova's Buxted chickens would make a neat fit with Unigate's Malton pig business. Add to this the target's M&S sandwich supply business, and it looks a very tasty morsel.

We've been here before, of course, though the names have changed a bit in the past few months. It was only last autumn that Unigate had a £1.6bn dalliance with Hillsdown Holdings. It didn't much fancy the whole package, you understand, only one of its attributes. It was the chilled foods operations that led it to make an approach for the whole of the Hillsdown beast before eventually being frightened off.

Analysts reckon that around 150p would win the day, which would certainly suit Phillips & Drew, which was buying the stock heavily at around 140p as recently as January. For it to get more exciting, than this would take a rival bidder to emerge. So far, Tomkins is the only name in the frame.

CSFB cuts bonuses after slide into the red

BONUSES HAVE been cut by 27 per cent at Credit Suisse First Boston following a torrid year in which the investment bank slumped \$122m (\$3m) into the red after taking a hit of nearly \$1.2bn on last autumn's Russian bond market collapse.

Credit Suisse, the bank's Swiss parent, also said yesterday that Dick Thornburgh is to step aside as group chief financial officer in April. His place will be taken by Philip Ryan, currently chief financial officer of Credit Suisse Asset Management, while Mr Thornburgh moves to another role as vice chairman in charge of risk management at CSFB.

Bonuses were cut most steeply in equities and in emerging markets bonds, which suffered most heavily in last autumn's turmoil. These were also the areas which bore the brunt of last year's job cuts.

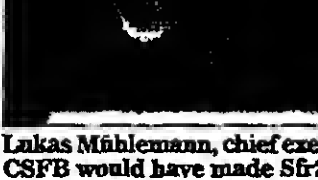
However, the bank said that payouts were much better on the pure investment banking side, which had a very good year, and in US and European fixed income, which held up strongly.

Lukas Mählemann, chief executive officer of Credit Suisse Group said that, but for the Russian losses, CSFB would have made profits of \$1.2bn last year.

At group level, however, profits rebounded sharply to \$1.1bn post-tax from \$1.01m in 1997, despite the CSFB upset largely as a result of dramatic improvement at the bank's domestic retail operations.

Speaking by video link from New York yesterday, Allen Wheat, CSFB chairman, repeated the invitation to other banks to join in the scheme the bank has proposed for swapping worthless Russian bonds for stakes in Russian oil and gas projects.

While CSFB and its clients have as much of 40 per cent of the total GEO and OFZ bond debt, preliminary indications from the Russian government are that the scheme needs wider backing for it to get serious consideration. "The Russian government's reaction is that if it is something of meaningful size and can be a cohesive group they are very prepared to discuss it," he said. "I hope we can come up with something which suits the creditors and which also suits the Russian economy."



Lukas Mählemann, chief executive officer of Credit Suisse Group, yesterday. He said CSFB would have made \$1.2bn profit but for Russian losses.

Rhodia tops US bid for Albright

ALBRIGHT & WILSON, the fine chemicals group, was yesterday thrust into a transatlantic takeover war after Rhodia of France launched a \$455m cash offer, topping a \$408m bid from the US company Albemarle.

Rhodia's offer of 145p per share received the conditional backing of Phillips & Drew, A&W's largest shareholder. The fund manager pledged to sell its 23 per cent stake to the French speciality chemicals group - majority owned by Rhone-Poulenc - provided no other party bids more than 160p a share. The offer is being made through an Austrian investment vehicle to avoid interfering with Rhone-Poulenc's merger with Hoechst, the German life sciences company.

Dow breaks 10,000 barrier

THE DOW 10000 arrived yesterday, writes David Wharton in New York. History was made and the head-popped American economy that has been powering stocks higher for the past few years suddenly felt even better. There, in the blink of an eye, on the pop of a champagne cork - it was gone again. The Dow Jones was back to 9,999.

400m x hole

ALBRIGHT & WILSON, the fine chemicals group, was yesterday thrust into a transatlantic takeover war after Rhodia of France launched a \$455m cash offer, topping a \$408m bid from the US company Albemarle.

hails public finance figures

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Wednesday 17 March 1999

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SPORT

'Teeton Mill can inject a burst of speed but I think Florida Pearl travels better... and Dunwoody's an ice-cool guy'

Dillon master of the betting odds



THE BRIAN VINER INTERVIEW

THE CHELTENHAM FESTIVAL is upon us. Yesterday, the phenomenal Istabraq won the Champion Hurdle for the second successive year. If he hadn't, the casualty department at Cheltenham General would have been full of race-goers needing their stomachs pumped, having grudgingly digested their hats. The outcome of tomorrow's Gold Cup, however, is much harder to predict. Mike Dillon, the public relations director at Ladbrokes, fancies Florida Pearl to pip Teeton Mill, and punters might be wise to put their money where his mouth is. "Teeton Mill's a very good traveller," he says. "He can inject a burst of speed during a race. But I think Florida Pearl travels better. He's been brought along very well, he knows the territory, and Dunwoody's an ice-cool guy."

Dillon, a hugely engaging Mancunian, is not only the public face of Ladbrokes, he also helps set their horse-racing odds. And he has a pretty good record in the Gold Cup. Seven years ago, he reckoned that the favourite, Carvill's Hill, was unlikely to win. "He was ridden by Scudamore, trained by Martin Pipe, both all-cooquering, and he had woe the Welsh National very easy, but I felt he had an Achilles heel, that on an undulating track over fast ground he would be vulnerable."

The odds were set accordingly, with Ladbrokes offering a better price than every other bookmaker. "We were even when everyone else was odds on. When they were 6-4, we were 2-1. We took fortunes. And when he got beaten by Cool Ground, it was a great result for the firm, or so I thought. About five minutes after the race we found out that an unemployed joiner from Portsmouth or somewhere had had these 10p doubles and trebles, and that the last leg was Cool Ground, a 25-1 shot in the Gold Cup. He won almost £600,000 for about seven quid. That's the magic of the game, you see. We go from euphoria to total despair."

The unemployed joiner was called Dick Mussell, and he has an entire file to himself at Ladbrokes' head office in north-west London. Dillon shows it to me, laughing with the abandon of a man who can afford to be magnanimous. During the three-day Cheltenham Festival, the bookmaking industry expects to take around £10m in bets, an average of £3m per race, and Ladbrokes has a quarter share of the market.

To accommodate the punters, the ever-obliging Ladbrokes are opening their Cheltenham shops at 8am, and even permitting bets in Irish punts. Meanwhile, the company has already pocketed at least £50,000 - one punter placed £40,000 at 4-1 on His Song to win yesterday's Arkle Challenge Trophy (he was unplaced), and had a further £20,000 treble on His Song, Istabraq and Florida Pearl.



Mike Dillon's white-knuckle ride: 'A big gambler called Noel Furlong had a horse called The Illiad. He backed him from 36-1 down to 6-1 and won about £2m that day'

Robert Hallam

"All Irish horses," notes Dillon. "So you needn't be Einstein to know where that bet came from."

Similarly, you needn't be Desmond Morris to know whether Dillon is enjoying himself at Cheltenham. I should think that if he's rubbing his hands gleefully, Ladbrokes are quids in. But if the knuckles are white, the punters are winning. Or perhaps just one punter. "A few years ago a big gambler called Noel Furlong had a horse called The Illiad," Dillon recalls. "He ran in the race we sponsor at Leopardstown in January, the Ladbroke, and Furlong backed him from 36-1 down to 6-1. He woe about £2m that day, and then The Illiad ran in the Champion Hurdle. Furlong backed him in big multiple bets with another horse of his, who ran in the first race and absolutely dodged it. Luckily The Illiad did win at Cheltenham, or he'd have won about £20 million. Noel Furlong took the ring off on his own that day."

In bookmaking jargon, the betting market is "the ring." And the offering of seductive odds, attracting large numbers of bets, is known as "getting a horse beaten." In the Grand National one year, Dillon got Bonanza Boy beaten, big-time. "I just couldn't see him winning. I have a set of rules when I assess a horse, and the number one rule is how well it travels. I don't like horses who have to be hustled and hustled, and

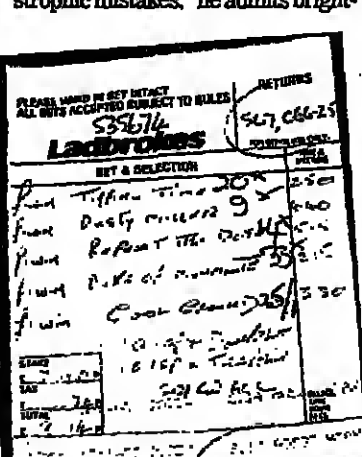
Bonanza Boy was one of those. But he was trained by the champion trainer, Martin Pipe, ridden by the champion jockey, Peter Scudamore, so I thought 'this is a real chance. All the world wants to back him and he can't win.'"

Dillon is admirably candid about his efforts to, in essence, hoodwink the punter. And that's fair enough, since plenty of punters try to hoodwink the bookie, by foul means as well as fair. Ladbrokes shop managers, particularly in horsey areas like Newmarket, are expected to hold a particularly tight rein. "If there's a selling hurdle at Plumpton on a Monday, and someone comes in off the street, someone you've never seen before, and puts on £10,000, the manager would want looking up if he didn't think the fella might know more about the race than we do."

The fixing of football matches by nobbling the floodlights is only the latest of many betting scams. Dillon recalls Ladbrokes offering odds on the results of seven-frame matches in a snooker tournament in Derby about 15 years ago. "And a fella came into one of our shops wanting to bet £2,000 at 7-1 on a particular game finishing 5-2. The manager told him the price had gone down to even. He said 'well, I'll have two grand at even, then.' It was obviously a lousy game. The manager had a ledger of all the bets and

there was nothing in the 7-0 or the 6-1 or 4-3 columns, but rows and rows of bets under 5-2."

There are other people at Ladbrokes to look after small fry like snooker, however. Dillon's overriding concern is horse racing, which represents 70 per cent of the company's £1.7bn turnover, with dog racing amounting to 20 per cent. And his daily challenge is to get a horse beaten, a challenge which on occasion, I venture, must go badly wrong. "Oh yeah, I've made some catastrophic mistakes," he admits brightly.



Passport to a fortune: The betting slip that won almost £600,000 for Dick Mussell

ly. "At Cheltenham a few years ago I didn't think a horse called Kribensis had what it took to win the Champion Hurdle. I underestimated the trainer, Michael Stoute. He was a flat trainer with only one jumper, and I thought he was playing at it. So we laid 5-1 when everyone else offered 4-1, and of course he won. I was sick as a pig." The extra unit lost Ladbrokes about a million pounds, says Dillon, blanching even now at the memory. But the chief executive of the racing division, Peter George, who now runs the whole company, was supportive. "He just told me to stick to my principles."

Sometimes, losses are borne not only stoically but cheerfully, in the knowledge that they add up to an investment in the company's future. "Every time Red Run won, we lost," says Dillon. "But we didn't mind paying out, because it increased the profile of betting. He took us off the sports pages and put us on the news pages. The same with Desert Orchid, and with Detlor's Seven, which cost the industry £40 million. I know £40m is a bit of a steep advertising budget, but in the long run Detlor's Seven was fantastic for the industry."

Knowing this, it is hard to overlook the old saw that bookies never lose. Moreover, I tell Dillon that I was at Leopardstown earlier this year to interview the champion jump jockey Tony McCoy. I backed McCoy's

rides in three races, all of which lost, and when I met him he said they never had a prayer of winning anyway. "Betting is a mug's game," McCoy told me. At this, Dillon's cheerful countenance clouds over. "Don't tell Dick Mussell it's a mug's game," he says. "Besides, we run the oo-course betting shop at Leopardstown, and we ran out of both money and cheques that day. We had to tell the punters to come back for their winnings the next day, which pleased them, actually. They would rather go to the pub and say Ladbrokes couldn't afford to pay them than have the money to buy a round."

Dillon is a betting man himself. He bets very selectively, and with slightly more prudence than the man who wrote to Ladbrokes asking what price they would give on him being abducted by aliens and returned to earth as a giant yellow teapot. "I have very good discipline," says Dillon. "I can go weeks without, then have two in half an hour." He knows, of course, who most of the high rollers are. "But sometimes people come out of the ground," he says. "Like the guy who put £80,000 in cash on Shergar to win the Derby, or the fella who came in with a Halifax Building Society draft for 50 grand, and put it on Carvill's Hill to win the Gold Cup. That was the original placing your house on one."

The biggest single bet he can re-

call had nothing to do with sheepskin nosebands. "We took a credit bet of £2 million at even odds on Brazil to win the 1994 World Cup in 90 minutes or normal time. They didn't, although there was a worrying moment when the ball came off the post and into the Italian goalie's hands." Meanwhile, Dillon must be the only Manchester United supporter, hoping that United leave Milan with nothing better than a 0-0 draw tonight. "That would suit us great. We want United in the semi-final but punters don't bet on nil-nils. The last game was the worst possible result for us, because Dwight Yorke scoring the first goal and a score of 2-0 was the most popular double. We lost about £250,000 on that match."

Ladbrokes will also lose a significant amount of money if a female jockey wins next month's Grand National. In 1989, a punter bet £900 in doubles and trebles on Cliff Richard being knighted (4-1), a Brit becoming world heavyweight boxing champion (10-1), and a female jockey winning the National (33-1), all by the year 2000. He has already won £11,000 and stands to win a further £128,000 if the third leg of his treble comes off. Indeed, he has offered certain trainers £50,000 of his winnings to give a woman a top ride. "Luckily he has no possible chance in the world," says Dillon. He pines, as if to reassure himself. "No, no, no. No possible chance in the world."

Mystery of the Orient

Sir: I refer to the statement in today's newspaper (early editions, 15 March) headed: "Frank Warren (promoter and Leyton Orient chairman)".

I take this as a serious libellous and scandalous statement! I would not go and watch Leyton Orient over the pain of death. FRANK WARREN Sports Network Europe, Hertford

Draw your own conclusion

Sir: Your main article on Saturday's fight couldn't have been further from the truth. I am an English expatriate living in the US. I paid \$50 (£30) to watch the fight live on HBO.

At the end of the fight, the three commentators (all Americans) including George Foreman, derided the result. One of the commentators said: "Tonight two

judges stole the result." Foreman said: "Tonight I am ashamed to be an American. Britain could at least be proud in the knowledge that Lennox Lewis is the best heavyweight boxer in the world." Finally, the Governor of New York has ordered an investigation by the State athletic commission regarding possible bribery and corruption.

I saw Lennox Lewis dominate the fight. I have no doubt he was robbed. MARTIN IRISH via e-mail

Crisp put down

Sir: In his article (Pringle's perspective suits Charlton", 13 March) Glenn Moore describes Martin Pringle, the Charlton footballer, as "a dark-skinned Swede with an English name".

It is possible that Mr Moore may have fallen into the common error of believing that Scotland is part of England. Alternatively, he may be unaware that Pringle is in fact one of the most Scottish of names; unlike many of the names widely regarded as being Scottish, its origins are not Irish and can be traced to an identifiable location north of the border. JOHN PRINGLE Balerno, Midlothian

Hodgson's choice

Sir: Re: "Merseyside on defence over Fowler furore" by Guy Hodgson (12 March). What an excellent article this is. Nothing I have seen or heard to date sums up the feelings of Merseysiders on the good guy-bad guy reporting since the Le Saux-Fowler incident.

To a complete outsider how must all this look? Therein lies the answer. JOHN COWELL via e-mail

Unwise words

Sir: Today in the Independent you quote Alex Ferguson, the Manchester United manager, as saying: "When Italians tell me it's pasta I check under the sauce to see if it is. They are masters of the smokescreen." Is that not a racist remark and are you not fostering racism by giving space to such remarks? AMINA SAITCROSS Wembley, Middlesex

Crying foul

Sir: First I'd like to point out that banter and mind games between

footballers is nothing new. It does not excuse a player giving a forearm smash around the back of another player's head while the ref isn't looking. If, as Richard Williams writes in his article on the front page of last Thursday's Review, Graeme Le Saux is as much of a culture vulture as we are led to believe, then surely this educated, informed lad can realise that Fowler was, although very crudely, simply winding him up. Anyone with any common sense could have realised this and for someone so educated to react in such a way is equally out of order.

Based on the report from a friend, Williams then goes on to further character assassinate Fowler (this is the lad who was commended by UEFA for his honesty against Arsenal last season) leading the reader to

believe that Fowler is nothing more than a money-grubber, having just signed a £40,000 per week contract with Liverpool while Le Saux is an innocent bystander who has a fiery temper, fights with his own teammates and is constantly getting booked and sent off for retaliation all for simply reading the Guardian.

On the other hand, you could say Fowler was crude in his method and needs reprimanding. But you could also say that Fowler has resisted the money-grabbing Bosman option and instead chosen to earn the living that any other top Premiership player can at the club that brought him up through the ranks, thus proving that clubs and players can still be loyal to each other. BRIAN NICHOLAS The Wirral

Snob tendency

Sir: Thank you for reinforcing my views on the "glory seekers" who believe that the only football worth watching is League, or preferably Premiership football.

Alan Edge's article on non-League football ("Man marked by an anorak", 15 March), even taking into account its attempts to be humorous, was patronising. If he really believes that non-League games are just the preserve of "anoraks" he can't be going to many non-League games. The vast majority of non-League fans are totally normal and support teams who are connected with where they live or were born. They get as much enjoyment as any League fan and treat the game with more humour and realism.

Mr Edge should use his week ends off from blowing £30 to see "real" football to go and persuade someone else! At your local team you'll get a warm welcome, and the mistakes, and have some fun. If you want to sneer, stay at home. CHRIS HUNTER Working Supporter and proud of PS Well done on your Non-League Notebook. Keep up the good work.

SPORTS LETTERS

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Ferguson's laughing cavaliers



IT WAS the goal which confirmed the primacy of the partnership between Dwight Yorke and Andy Cole and killed off any lingering hopes the likes of Ole Gunnar Solskjær and Teddy Sheringham may have harboured. The moment when, as David Beckham's other half might have put it, two became one hell of a duo.

The scene was the Nou Camp Stadium in November, early in the second half of a frenetic Champions League fixture. After the shock of conceding a first-minute goal to Barcelona, Manchester United had recovered to equalise through Yorke. Probing the left side of the home defence, Roy Keane rolled a pass inside towards the Tobogan 25 yards from goal... whereupon Cole takes up the story.

"Dwight dummied it and as soon as he let the ball run I knew that he wouldn't stand still, that he'd make a run. So I thought I'd play a one-two. Dwight could either go on himself or knock it back to me. Fortunately for me, he knocked it back." Unfortunately for Ruid Hesp, Barca's Dutch goalkeeper, Cole knocked it past him.

The scorer's analysis talks of what he "thought" he would do.

Yorke and Cole enter the San Siro as possibly the best strike force in United's history. By Phil Shaw

However, the most striking aspect of the build-up was the apparent lack of deliberation and the part played by intuition, or "telepathy" as Wilf McGuinness, the former United player and manager, characterises it. When Yorke stepped over the ball he knew instinctively that Cole was behind him and moved instantaneously for the pass which was duly played.

Cole, in turn, anticipated precisely where to run for the reciprocal pass from Yorke. In a matter of seconds the ball nestled in the Catalan net, prompting Alan Hansen to hail the goal as "a masterpiece".

Since that game, which finished 3-3, the understanding that was blossoming between United's front two has burgeoned, perhaps even beyond Alex Ferguson's expectations. Beckham, whose crosses enabled Yorke to give United a 2-0 first-leg lead over Internazionale in their European Cup quarter-final, says the pair's perpetual motion make his job easy.

Going into the second leg in Milan tonight, Yorke has

amassed 28 goals and Cole 21. The latter's brace in Saturday's win at the club who sold him for £7m, Newcastle, means it is already the most prolific partnership of the Ferguson era, overtaking the mark set by Eric Cantona and Mark Hughes in 1993-94. Yet what really sets apart the double act which could bring the Treble to Old Trafford is the transparent pleasure Yorke and Cole take in making goals for each other.

In his mind's eye McGuinness, a former Busby Babe and England player, can still see Tommy Taylor in tandem with Dennis Viollet before Munich. He worked with Best, Law, Charlton and Kidd, and admired the link between Hughes and Brian McClair. But he has no hesitation in hailing Yorke and Cole as Old Trafford's best attacking partnership "by a mile".

"The funny thing is that they're basically similar players," he says. "They're not the classic pairing of a strong spearhead and a foil who feeds off him. They're both fast, darting strikers whose biggest asset is movement off the ball and sharpness in the goal area. They've both got quick feet. They're both good at shielding the ball, with surprising upper-body strength. Both turn well, and they're better in the air than you'd expect for their size."

The fact that they are also bosom pals - Yorke rang Cole when he could not find the training ground on his first day and they immediately hit it off - has enhanced their relationship on the pitch, according to McGuinness. "It shouldn't matter if you don't get on with a certain team-mate. But if two players are good buddies, they look for each other. I certainly did with Bobby Charlton and Eddie Colman, but then we were all friends in that side."

Now covering the club as a broadcaster, a role which took him to Barcelona and will also find him in Milan, McGuinness has noticed how Yorke and Cole are always first to congratulate each other after a goal. While pointing out that Cole's link with Cantona was not exactly unproductive, he acknowledges that there was no comparable rapport.

"These two play for each other," he says. "Strikers normally have to be selfish, or at least single-minded, but they love helping each other. And the way it's going, if one hits the bar the other sticks in the rebound."

Their friendship is such that the other players reportedly tease them about how often they pass to one another. They train together a lot - the harder they practise, the more telepathic they get, to paraphrase a famous maxim about luck in golf - as well as hanging out with each other.

The simplistic explanation is that the empathy stems from the fact that both are black and therefore natural "soul brothers". Yet Cole is a Nottingham boy who spent much of his adolescence in London after joining Arsenal, whereas Yorke used to keep his family in the West Indies above the poverty line by catching crabs and selling them to hotels. Culturally, their backgrounds could scarcely be more contrasting.

Whatever the reason, the bond has brought Cole out of his shell. Graham Taylor, who took Yorke to England as a teenager after spotting him on an Aston Villa tour once remarked that it would be nice to see Cole smile. Yorke, of course, could grin for England (where he not committed to Trinidad & Tobago), and his influence may account for his partner's less surly demeanour of late.

In playing terms, the pairing has surprised those who expected Yorke to provide for Cole but not vice versa. The former tends to drift into deeper positions and to go wide more, but it is also noticeable how



Dwight Yorke (left) and Andy Cole celebrate another magic moment for their prolific partnership

Reuters

often he is the beneficiary of Cole's new-found selflessness, most recently at Chelsea in the FA Cup.

Yorke is the more complete performer. The audaciously chipped goal over Ed de Goey at Stamford Bridge was no one-off; he had the confidence and the skill to dink a similar shot over David Seaman from the penalty spot for Villa against Arsenal last season. Now that he is playing for a side who tend to dominate possession, we are seeing the full range of his attacking talents.

"I could understand why the club were so keen to get him," McGuinness says, "even though John Gregory got them to pay more than the going rate. But he looks a snip now, if you can say that about someone who cost £12.6m: a classic United player. He was a very good player at Villa - now he looks a great player."

Alan Hansen, echoing Glenn Hoddle's caveat that Cole needs too many chances to score, believes there is still a question mark over him against top-class opposition. McGuinness argues that is no longer the case. "Andy hasn't really had a chance to prove himself with England, but at European level he's blossoming due to this partnership. That goal in Spain was a perfect example."

In the San Siro, Cole could be asked to operate as a lone striker, with Yorke and the wide players taking more withdrawn roles. Inter, doubtless reinforced by Ronaldo, are sure to throw men forward.

"United are going to have to work hard when the Italians come at them, though that's when the gaps should appear," says McGuinness. "It was crucial that Inter didn't get an away goal. With Yorke and Cole, you're always confident that United will score, whoever or wherever they play."

Parma's panache banishes Bordeaux

Parma
Bordeaux
Parma win 7-2 on aggregate

HERNAN CRESPO and Enrico Chiesa scored twice each as Parma thrashed Bordeaux 6-0 yesterday to overturn their narrow first-leg deficit and ease into the Uefa Cup semi-finals.

Both Crespo's goals were set up for him by the defender Paolo Vanoli in the 37th and 68th minutes, while Chiesa scored with a long-range shot in the 43rd and rounded off a counter-attack by converting a pass from Crespo in the 58th.

Crespo's compatriot, Juan Veron struck a brilliant free-kick just after half-time, and Abel Balbo made it four for the Argentinian contingent with a late penalty.

Bordeaux, who lead the French league, arrived at Tardini stadium intent on protecting the 2-1 advantage they gained in the first leg two weeks ago, but their defensive strategy backfired.

Victory kept alive Parma's quest for a rare treble; they are in the Italian Cup final and are tied for second place in Serie A. But the 1995 Uefa Cup winners will have to play their semi-final first leg without defensive stalwart, Fabio Cannavaro, who collected his yellow card of the tournament after being booked for handball in the 54th minute.

Otherwise, everything went Parma's way. In the 37th minute, Diego Fuser's pass found Vanoli on the left, he drew the goalkeeper, Ulrich Rame, and slid the ball inside for Crespo's first. Then Vanoli's dummy run left space for Chiesa to collect Dino Baggio's long pass for the second.

Just after half-time, Veron curled in his free-kick to make it 3-0 and Chiesa took Crespo's through ball to fire in the fourth. Then Crespo scored from Vanoli's nod-down of a 40-yard pass by the French World Cup winner, Lilian Thuram.

Balbo got the last goal, with two minutes to go, after the Bordeaux defender Nisa Savejic, standing near the penalty spot, inexplicably grabbed the ball out of the air with both hands.

Lee asks for fair treatment

BY DAMIAN SPELLMAN

ROB LEE has asked Newcastle to set a fair price if they intend selling him. The 33-year-old England midfielder has made just one start since Boxing Day through a combination of injury and the form of the German Dietmar Hamann and the rejuvenated Welsh international Gary Speed in central midfield.

Newcastle would probably want £2m for the veteran and Lee hopes the high price will not deter interested clubs. "Players don't have a say in how much they are worth, but if the club is looking to sell me, I would hope they would set a fair price," he said.

With the loss of the captaincy to Alan Shearer, Lee admits that the writing is on the wall. That message was driven home to him when he appeared as a second-half substitute in the 2-1 home defeat by Manchester United last weekend.

"Dietmar and Gary have done very well lately, but that doesn't stop me being a good player," he said. "When I came on the other day, we just seemed to get in each other's way. I can't really envisage the three of us playing together unless we played with wing-backs."

"My problems started with that Achilles injury. I've had it, longest spell of my career on the sidelines, but I still feel I'm one of the best players at this club and have a lot to offer."

Lee joined United from his only other club, Charlton, for what proved to be a bargain £700,000 in September 1992, first playing wide on the right before moving into the middle to establish his partnership with David Batty.

A number of clubs have been linked with Lee, although he has spoken to none. The fee could be a problem but he is not getting involved in any negotiations.

Arsene Wenger has added another prodigy to Arsenal's growing teenage ranks. The latest arrival is German youth international Moritz Volz, signed from Schalke 04 in a deal reported to be worth £150,000-a-year to Germany's former under-15 captain from the start of next season.

O'Neill wins Republic recall

THE MIDDLESBROUGH-BOUND striker, Keith O'Neill, has been recalled to the Republic of Ireland squad for the Group Eight European Championship qualifying tie with Macedonia in Skopje on 27 March. The Irish manager, Mick McCarthy, has also called up the uncapped Spurs defender Stephen Carr to his 20-man travelling squad.

O'Neill, on the brink of leaving Norwich for Middlesbrough for £700,000, missed the 2-0 victory over Paraguay in Dublin on 10 February because of an ankle injury. Carr gets his chance because of injuries which rule out Gary Kelly, Curtis Fleming, Jeff Kenna and Rory Delap.

McCarthy will be anxious that there is no repeat of the shock 3-2 defeat by the Macedonians in Skopje in April 1997. "That result doesn't matter now. We didn't do ourselves justice that day," said McCarthy. "It's a huge game for us and vitally important. Yugoslavia play Croatia on the same night in another Group Eight game. But I won't be concerned about that result if we can win in Macedonia."

"Three points has to be the priority against the Macedonians, or at least not to be beaten."

McCarthy has put the Bury goalkeeper Dean Kiely, Bradford's midfielder Gareth Whalley, the Wimbledon winger Mark Kennedy and Fulham's Steve Finnan on standby in case of injuries.

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10-YEAR-TALE OF THE CHAMPION CHASE												
	1989	90	91	92	93	94	95	96	97	98		
Fate of the favorites:	1	1	2	1	3	F	1	3	5	6		
Winner's place in betting:	1	1	0	1	3	3	1	0	0	3		
Starting prices:	7-4	11-10	9-1	ev	11-11	4-1	5-2	9-1	8-1	7-5		
Winners' ages:	8	9	8	8	8	7	8	7	10	10		
Profit or loss to 11 stake: Favorites +\$335											Second Favorites +\$100	
Percentage of winners placed 1st, 2nd or 3rd in race no:												
Shortest-priced winner's Remittance Man (1992) odds:												
Longest-priced winner: Deep Sinking (1993) 11-1												
Top Infields: O Blarney - Sunbeam Angel (1989 & 1990)												
D Nicholson - Viking Flagship (1994 & 1999)												
Top jockeys: No jockey has won this race more than once in the past 10 years												